

GL 332.11

IND



106064
LBSNAA

रुत्री प्रशासन अकादमी

Academy of Administration

मुसुरी

MUSSOORIE

पुस्तकालय

LIBRARY

अवाप्ति संख्या

Accession No. 877

वर्ग संख्या

Class No. 332.11

पुस्तक संख्या

Book No. Ind

Reserve Bank of India

R E P O R T

ON

CURRENCY AND FINANCE

FOR THE YEAR

1956-57

BOMBAY

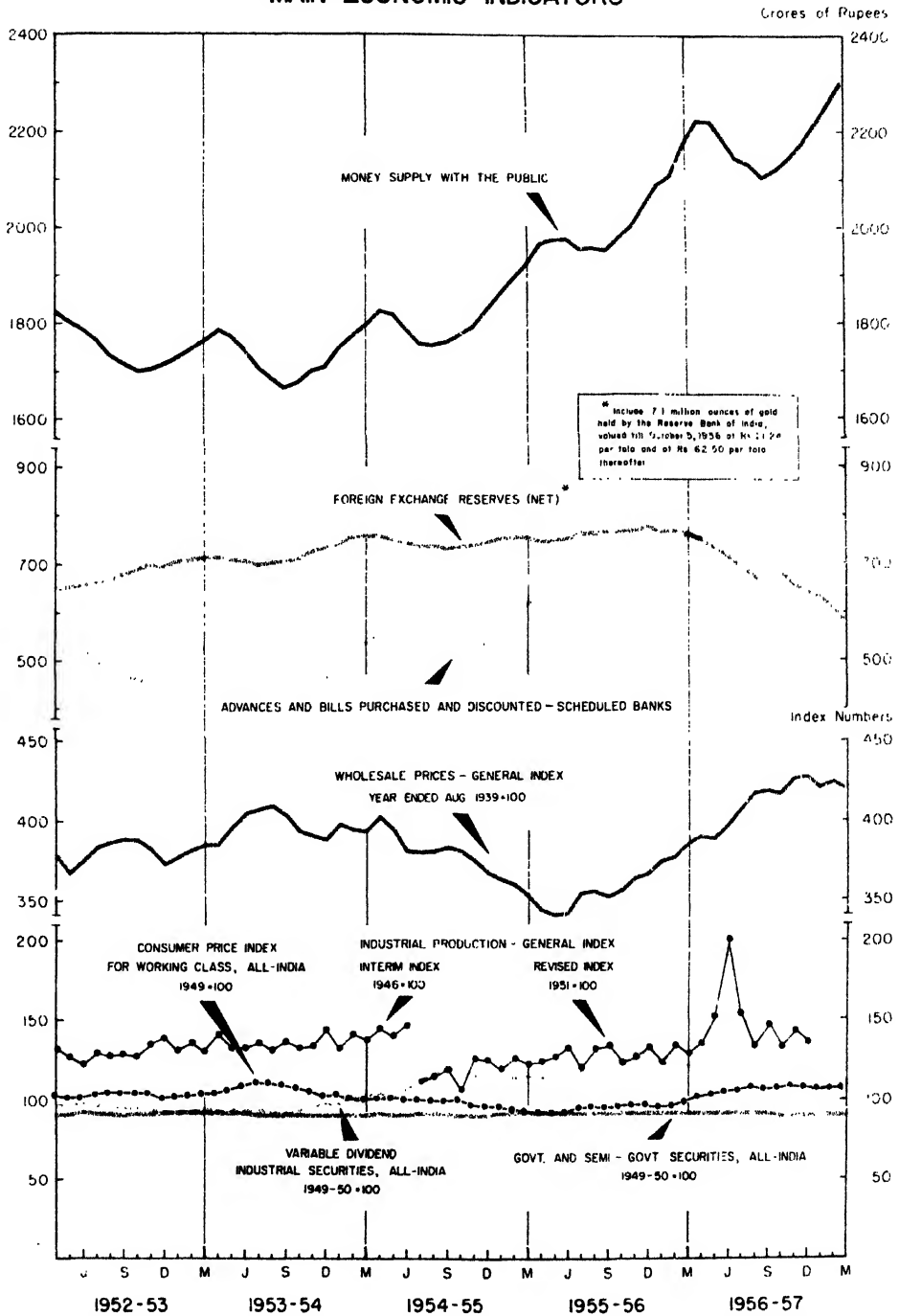
THE COMMERCIAL PRINTING PRESS PRIVATE LIMITED

JULY 1957

Price { Inland Rs. 4.50 (Postage extra)
Foreign \$ 1.25 or 8s-6d (Post-free)

GRAPH 1

MAIN ECONOMIC INDICATORS



CONTENTS

	Page
I. INTRODUCTORY	1-8
II. PRODUCTION	9-18
Agricultural Production	9-13
Industrial Production	14-17
Trends in National Income	17-18
III. PRICES	19-25
General	19-23
Price Policy	23-25
Consumer Price Index (Working Class)	25
IV. MONETARY AND BANKING TRENDS	26-37
General	26-27
Money Supply	27-29
Money Market Trends	29-31
Credit Policy	31-34
Other Banking Developments	34-36
Co-operative Credit	36-37
V. THE CAPITAL MARKET	38-50
General	38-39
Government Securities Market	39-40
Industrial Securities Market	41-43
Capital Issues	43-45
Working of the Finance Corporations	45-47
Financing of Small-Scale Industries	47-49
Securities Contracts Regulation	49-50

	Page
VI. THE BULLION MARKET	51-55
General	51-53
Silver Prices	53-54
Gold Prices	54
Futures Trading in Bullion	54-55
VII. PUBLIC FINANCE	56-71
General	56-57
A. BUDGETS	57-67
UNION GOVERNMENT	
Revenue Account :	
General	57
1955-56 (Accounts)	58
1956-57 (Revised Estimates)	58-59
1957-58 (Budget Estimates)	59-63
Capital Account	63-64
STATE GOVERNMENTS	
Revenue Account :	
1957-58 (Budget Estimates)	64-66
Capital Account	66
Railway Budget	
1955-56 (Accounts)	67
1956-57 (Revised Estimates)	67
1957-58 (Budget Estimates)	67
Railways and the Plan	67

B. PUBLIC DEBT

68-71

UNION GOVERNMENT

General	..	..	..	..	..	..	..	68-69
Composition of Debt		..	..	..	..	..	..	69
Small Savings	..	..	..	..	..	..	..	69-70
Government Balances and Ways and Means Advances...						..	..	70

STATE GOVERNMENTS

State Loans	..	..	..	..	..	..	..	70
Balances and Ways and Means Advances, .	..	..	..	..	..	..	..	70-71

VIII. BALANCE OF PAYMENTS

72-82

General	..	..	..	..	..	..	..	72
Overall Position	..	..	..	..	..	..	..	72-73
Imports	..	..	..	..	..	..	..	73-74
Private Account	..	..	..	..	..	..	..	74
Exports	..	..	..	..	..	..	..	74-76
Invisibles excluding Official Donations				..	..	..	..	76
Official Donations	..	..	..	..	..	..	..	76
Capital Account	..	..	..	..	..	..	..	76-77
Foreign Exchange Reserves			..	..	..	..	..	77-78
Sterling Transactions		..	..	..	..	..	..	78
Developments in Exchange Control				..	..	..	..	78-79
Trade Policy	..	..	..	..	..	..	..	79-80
Trade Agreements	..	..	..	..	..	..	..	80-81
Tariff Commission	..	..	..	..	..	..	..	81-82

	Page
IX. CURRENCY AND COINAGE	83-86
Circulation of India Notes	83
Circulation of India Rupee Coin	83-84
Circulation of India Small Coin	84
Hyderabad State Currency	84
Introduction of Decimal Coinage	84-85
Cessation of Legal Tender Character of Notes not bearing the Asoka Pillar Emblem	85
Old Notes	85-86
Lost, Destroyed and Mutilated Notes	86
Note Forgeries	86
Coinage	86
Withdrawal of Silver, Cupro-Nickel and Copper Coins.. .. .	86
Counterfeit Coins	86

GRAPHS

1. Main Economic Indicators	Frontispiece Facing Page
2. Indices of Wholesale Prices, Money Supply and Industrial Production in Certain Selected Countries	2-3
3. Trends in Selected Economic Indicators during 1955-56 and 1956-57	4
4. Production of Principal Agricultural Commodities in India ..	10
5. Industrial Production in India	14
6. Index Numbers of Wholesale Prices	18
7. Money Supply with the Public	26
8. Trends in Selected Items of Liabilities and Assets of Scheduled Banks	28
9. Cheque Clearances and Scheduled Banks' Demand Liabilities ..	30
10. Liabilities of the Reserve Bank of India (Issue and Banking Departments combined)	32
11. Assets of the Reserve Bank of India (Issue and Banking Depart- ments combined)	34

	Facing Page
12. Gilt-edged Yields in India	40
13. Index Numbers of Security Prices	42
14. Bullion (Spot) Prices, Wholesale Prices and Prices of Agricultural Commodities	54
15. Finances of the Government of India	58
16. Railway Finances	64
17. Debt Position of the Government of India	68
18. India's Balance of Payments	72
19. India's Foreign Exchange Reserves	76

STATEMENTS

I. FOREIGN

Page

1. Index Numbers of Money Supply, Industrial Production and Wholesale Prices in Selected Countries	89-90
2. Balance of International Transactions of the United States ..	91
3. Money Market Rates in Selected Countries	92-93
4. Gold and Dollar Accounts of the Sterling Area	94
5. World Gold Production	95
6. World Silver Production	95
7. Prices of Bar Gold in Selected Countries	96
8. Prices (Spot) of Silver in London and New York	97

II. INDIAN

9. Selected Economic Indicators (Quarterly)--India	98-99
--	-------

National Income, Production, Stocks, etc.

10. National Income by Industrial Origin- At Current Prices ..	100
11. National Income by Industrial Origin-- At 1948-49 Prices ..	101
12. Index Numbers of Agricultural Production	102
13. Production of Agricultural Commodities	103
14. Industrial Production	104
15. Employment Exchange Statistics	105
16. Stocks of Principal Commodities with Industry	106-107

Wholesale Prices and Cost of Living

17. Movements in Price Indices of Selected Commodities	108-109
18. Index Numbers of Wholesale Prices (Groups and Sub-Groups) ..	110-111
19. Index Numbers of Wholesale Prices (Annual and Monthly) ..	112
20. Consumer Price Index Numbers—Working Class	113

Monetary and Banking Trends

21. Money Supply with the Public	114-115
22. Seasonal Variations in Money Supply and Allied Data ..	116-117
23. Variations in Money Supply and Allied Data (Annual) ..	118
24. Seasonal Trends in Selected Items of Scheduled Banks' Liabilities and Assets	119
25. Consolidated Position of Scheduled Banks (Annual and Monthly)	120-121
26. Consolidated Position of Scheduled Banks (Annual and Weekly).	122-125
27. Advances of the Reserve Bank of India to Scheduled Banks and State Co-operative Banks	126
28. Cheque Clearances (Annual and Monthly)	127
29. Rates of the Reserve Bank of India and the State Bank of India ..	128-129
30. Money Rates in Bombay, Calcutta and Madras	130-133
31. Liabilities and Assets (Annual and Weekly) of the Reserve Bank of India (Issue and Banking Departments combined) ..	134-137
32. Liabilities and Assets of the Reserve Bank of India (Annual and Monthly) (Issue and Banking Departments combined) ..	138-139
33. Reserve Bank of India—Issue Department (Annual and Weekly)	140-141
34. Reserve Bank of India—Banking Department (Annual and Weekly)	142-143
35. Reserve Bank of India—Issue Department (Annual and Monthly)	144
36. Reserve Bank of India—Banking Department (Annual and Monthly)	145

Page

37. Remittance Statistics

(A) Remittances through the Reserve Bank of India ..	146
(B) Remittances between the offices of the State Bank of India. ..	147
(C) Remittances Effected between the Reserve Bank Offices, Agencies and Treasury Agencies (Annual) ..	147
(D) Remittances Effected between the Reserve Bank Offices, Agencies and Treasury Agencies (Half-Yearly).	148
38. Encashment of Foreign Circle Notes, 1956-57	148

Capital Market

39. Prices (in Bombay) of Government of India Securities	149
40. Average Yields on Government of India Securities	150
41. Prices of Representative Industrial Shares.	151
42. Yield (Tax-free) on Industrial Securities —All-India and Regional	152-153
43. All-India and Regional Indices (Annual and Weekly) of Security Prices	154-155
44. Index Numbers of Security Prices— All-India (Annual and Monthly)	156-159
45. Control of Capital Issues, 1956	160
46. Capital Issues Sanctioned, Subscribed and Paid-up during 1950-56.	161
47. Assets and Liabilities of the Industrial Finance Corporation of India	162
48. Operations of State Financial Corporations	163

Bullion

49. Prices of Gold and Sovereigns in Bombay (Annual and Monthly)	164
50. Prices of Silver in Bombay (Annual and Monthly)	165
51. Prices (Weekly) of Gold and Silver and Estimated Stocks in Bombay	166-167
52. Assaying and Refining of Gold and Silver at the India Government Mints	168
53. Quantity and Value of Imports and Exports of Gold and Silver	168

	Page
Public Finance	
54. Budgetary Position of the Government of India	169
55. Revenue and Expenditure of the Government of India	170-171
56. Capital Budget of the Government of India	172-173
57. Consolidated Budgetary Position of States	174
58. Capital Budget of States	175
59. Revenue and Expenditure of States	176-177
60. Railway Finances	178
61. Interest-Bearing Obligations and Interest-Yielding Assets of the Government of India	179
62. Debt Position of the Government of India	180
63. Maturity Pattern of the Government of India Rupee Loans ..	180
64. Debt Position of States	181
65. Government Balances in India with the Reserve Bank of India and at Government Treasuries	181
66. Principal Items of Small Savings (Annual and Monthly) ..	182-183
67. Market Borrowings of the Government of India and State Governments	184-185
68. Government of India Three Months Treasury bills (Annual and Monthly)	186
69. Central and State Government Loans	187-189
Trade and Balance of Payments	
70. India's Overall Balance of Payments, 1956-57	
A—Current Account	190
B—Capital Account	191
71. India's Balance of Payments : Current Account ; Region- wise Summary	192
72. India's Balance of Payments—Current Account : Region- wise	193-196
73. Index Numbers of Exports and Imports	197
74. India's Imports of Principal Commodities	198-199
75. India's Exports of Principal Commodities	200-201
76. Major Changes in Import Controls and Import Policy, 1956-57 ..	202-203
77. Some Important Export Control Announcements, 1956-57 ..	204-205

78. Exports of Gunny Cloth and Gunny Bags to Principal Countries ..	206
79. Exports of Cotton Piecegoods to Principal Countries	207
80. Exports of Tea to Principal Countries	207
81. Changes in Export Duties, 1956-57	208
82. India's Foreign Exchange Reserves	209
83. Sterling Transactions of the Reserve Bank of India .. .	210-211
84. India's Balance of Trade in Merchandise	212
85. India's Trade Agreements, 1956-57	213-216
86. Tariff Commission	217-219

Currency and Coinage

87. India Currency in Circulation	220
88. Circulation of India Notes by Denominations	221
89. Movements in Circulation of India Small Coin (Denomination-wise)	221
90. Movements in Circulation of India Small Coin (Metal-wise) ..	222
91. Movements in Circulation of India Small coin (Circle-wise) ..	223
92. Lost, Destroyed and Mutilated Notes, 1956-57	223
93. Note Forgeries	224
94. Prosecutions on account of Note Forgeries	224
95. Mintage of India Rupees and Small Coin	225
96. Mintage of India Coins by Denominations, 1956 57 .. .	225
97. Description of Coins in Active Circulation at the end of March 1957	226
98. Dimension, Weight and Composition of Coins	227
99. Withdrawal of Silver, Cupro-nickel and Copper Coins, 1956 57 ..	228
100. Number of Counterfeit Coins cut at Treasuries and Railway Stations	229
Index	230 233
Reserve Bank of India Publications	234-236

INTRODUCTORY

The year 1956-57, the first year of the Second Five Year Plan, saw a further marked stepping up of the development effort in the economy, which was reflected in higher levels of investment in the public and private sectors. Outlay on the Plan in the public sector is estimated to have gone up from Rs. 625 crores in 1955-56 to Rs. 761 crores in 1956-57. In the private sector, recent data on the rate of investment are not available, but the *Reserve Bank's studies* relating to the finances of about 700 joint stock companies indicate that the rate of investment in the private sector has been rising sharply during the last 2-3 years. Industrial production recorded a rise of 9 per cent in the calendar year 1956 as compared to 8 per cent in 1955; agricultural output is also estimated to have recorded a small rise in the agricultural year 1956-57. However, the growth of real output and voluntary savings during the year was apparently less than the rise in overall demand generated by consumption as well as investment expenditure, which was undertaken with larger resort to deficit financing. The overall budgetary deficit at about Rs. 250 crores was about Rs. 100 crores larger than that in 1955-56. In the result, the symptoms of strain on the economy which appeared towards the close of 1955-56 were marked practically throughout the year under review. The strain was in particular reflected in a very heavy balance of payments deficit resulting in loss of reserves to the extent of Rs. 219 crores, even after taking credit for net purchases of foreign exchange from the International Monetary Fund for Rs. 55 crores. Commodity prices continued to advance for the major part of the year, the Economic Adviser's General Index of Wholesale Prices rising over the year by about 8 per cent on top of a rise of about 12 per cent in the previous year. The working class consumer price index also recorded a rise of 7 per cent over the year.

Reflecting the increased tempo of investment, consumption and trade, scheduled bank credit recorded an expansion during the year of 18 per cent following a rise of 22 per cent in 1955-56. The expansion in money supply was, however, moderate at 5.9 per cent mainly because of the heavy deficit in balance of payments. With all the above expansion in the monetary sphere, the economy continued to be characterised by an acute financial stringency, reflecting mainly the sharp increase in demand, characteristic of a boom phase. Activity in the new issue market would appear to have been on a larger scale than in the previous year, notwithstanding the more or less continuous decline in share prices during the year, amounting to 9 per cent (as against a rise of 6 per cent in 1955-56), partly reflecting the anti-inflationary measures on the fiscal and monetary fronts as well as a probable squeeze on profits as a result of higher raw material and wage costs. On the whole, the stresses and strains in the economy—of which the rise in prices and rapid decline in foreign exchange reserves were striking symptoms—were much more severe than in the previous year and consequently remedial action by Government as well as the monetary authority was also stronger and more varied.

On the fiscal front, new tax measures were taken by the Central Government in the course of the year, the estimated yield from additional taxation for the year 1956-57 being Rs. 55 crores, inclusive of receipts from proposals that were adopted as part of the regular budget in February 1956. In order to correct the balance of payments gap, effort was made to obtain larger volume of foreign assistance as well as to restrict imports drastically. Assistance from the International Monetary Fund was availed of to the extent of Rs. 61 crores (\$127.5 million) in February-March 1957. Again in June 1957 a further sum of Rs. 35 crores (\$72.5 million) was obtained from the same source. An agreement was also entered into with the United States Government for import of agricultural commodities under U.S. Public Law 480, for a total of Rs. 174.5 crores. The import policy for the half year January-June 1957 was fairly restrictive. Besides, exchange control was also tightened. On the monetary front, there was a general rise in the lending rates of the Reserve Bank and, in addition, the weapon of selective credit control was used to restrain bank credit in respect of food grains and, for a short period, cloth. The rate for advances under the bill market scheme was raised from $3\frac{1}{4}$ to $3\frac{1}{2}$ per cent, effective November 21, 1956. The effective rate for these advances went up to 4 per cent, from February 1, 1957, with the raising of stamp duty on *usance* bills to $\frac{1}{2}$ per cent. Simultaneously, the Bank's advances rate against government securities was put up from $3\frac{1}{2}$ to 4 per cent. From May 16, 1957, the Bank rate itself was raised to 4 per cent, and the stamp duty on *usance* bills was fixed at 0.2 per cent.

In the Central budget for 1957-58 which the Finance Minister introduced in the middle of May 1957, further tax proposals of a far-reaching nature (including two important new taxes, namely, a wealth tax and an expenditure tax) have been made; these are expected to bring in an additional revenue of Rs. 88 crores during 1957-58. Besides, the rates of interest on small savings have been raised. These various measures should serve to bring in more resources for Government, restrain excess demand for home goods as well as imports and also moderate excess investment in the private sector. The disquieting feature, however, is the prospect of continuance of a large budgetary deficit which in 1957-58 is estimated at Rs. 280 crores for the Union Government as compared to a deficit of Rs. 167 crores in 1956-57. In the context of the order of development effort entailed in the Second Plan, the need for mobilising additional tax and non-inflationary loan resources is more urgent than ever.

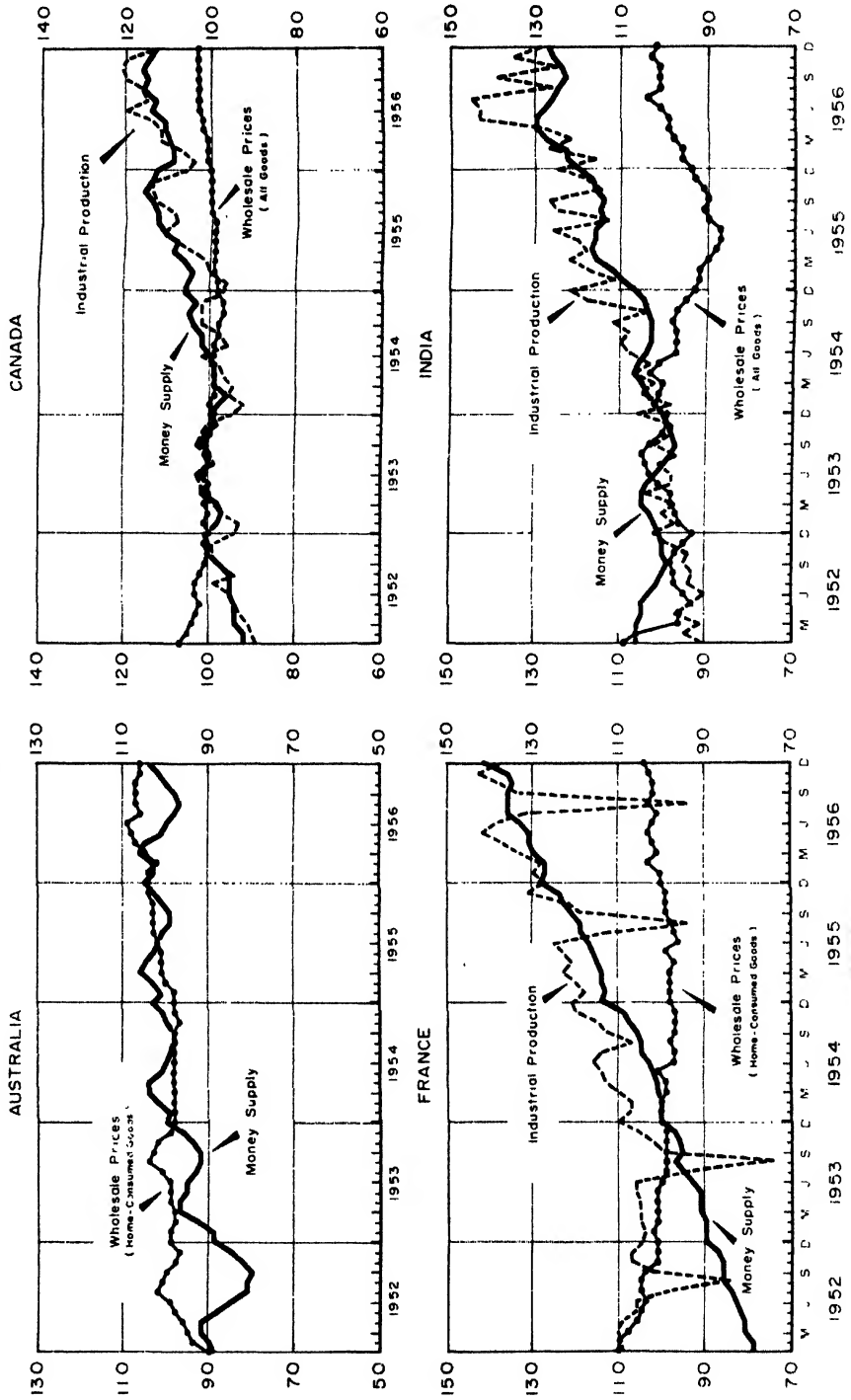
The following chapters contain a detailed review of the various aspects of Indian economy during the year under review. It would be useful to study the trends in the Indian economy against the background of economic and monetary developments abroad during the year, which provide both interesting parallels and contrasts. These are briefly referred to in the following paragraphs of this chapter.

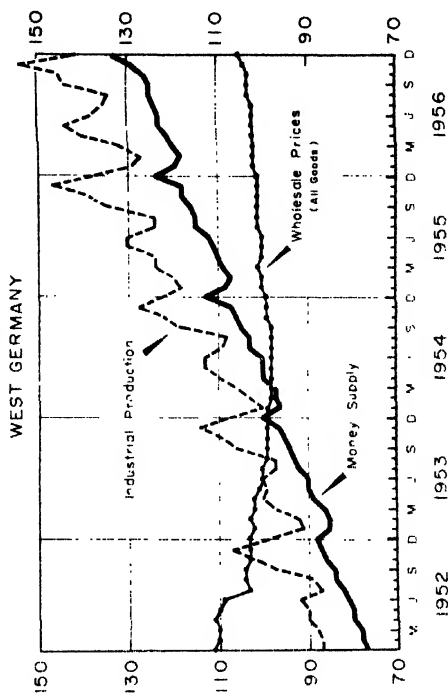
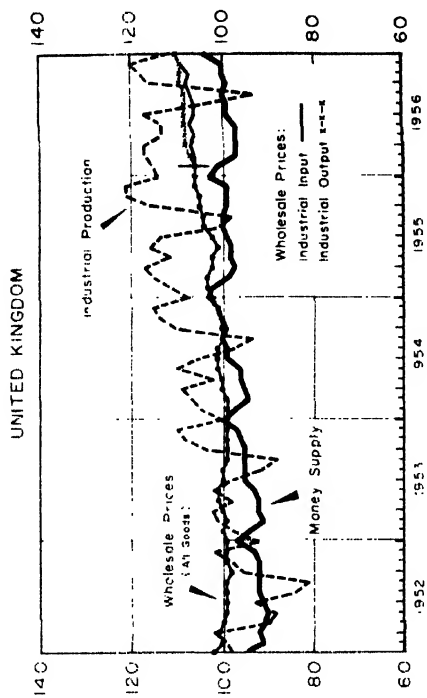
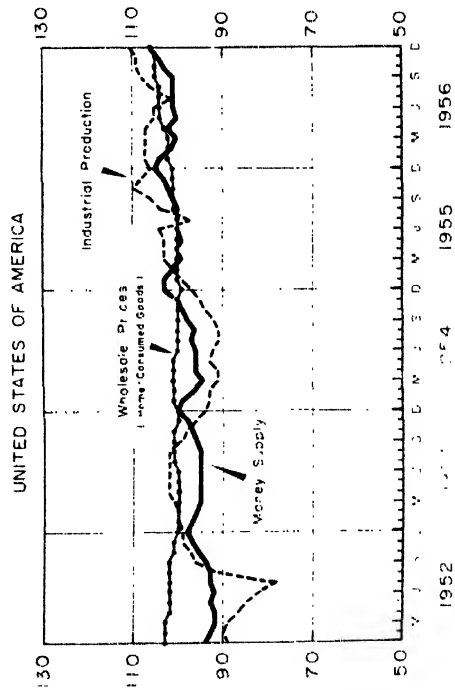
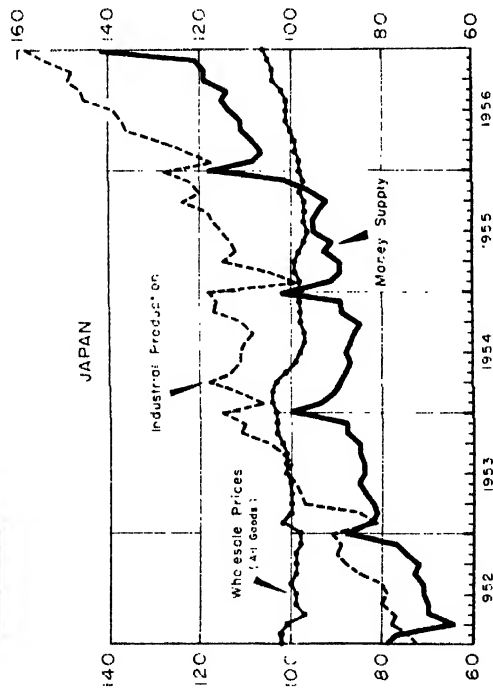
A majority of foreign countries, especially of Western Europe and the North American continent, had yet another year of sustained high prosperity, though the

GRAPH 2

INDICES OF WHOLESALE PRICES, MONEY SUPPLY AND INDUSTRIAL PRODUCTION IN CERTAIN SELECTED COUNTRIES

BASE: 1953 = 100





world-wide boom with which this prosperity has been associated slowed down somewhat, particularly in the latter part of the year, as a result of limitations of capacity and also the adoption of restrictive credit and fiscal measures. The economies continued to be subject to inflationary pressures, emanating in particular from wage demands. Monetary and fiscal weapons were in general mobilised with marked success to restrain these pressures. In the latter half of the year, the world economy received a jolt from the political and military developments concerning the Suez, but this proved short-lived.

Outside the United Kingdom and the United States, industrial production in 1956 rose as fast or nearly as fast as in 1955 ; the increase was particularly marked in Japan (18.5 per cent), France (9.1 per cent), Western Germany (8.6 per cent), Canada (6.5 per cent) and Belgium (6 per cent). In the U.S.A., however, industrial production recorded a rise of only 2.9 per cent during 1956 as compared to 11.8 per cent during 1955, whereas in the U.K. the index did not show any change during 1956 as against a rise of 5.6 per cent during 1955.

As a result of rise in investment and consumer outlays, bank credit expanded in most of the countries, more particularly in the industrialised countries. Substantial rises were recorded in 1956 in bank credit in France (23 per cent), the Netherlands and Western Germany (13 per cent each), Canada (12 per cent), Austria (11 per cent), the U.S.A. (9 per cent) and the U.K. (3 per cent); in Australia and New Zealand, however, bank credit contracted during the year by 5 per cent and 7 per cent, respectively. In India, the rise in bank credit during 1956 was 26 per cent. The rate of expansion in money supply slowed down in many countries during 1956, reflecting partly deficit in balance of payments and partly the adoption of anti-inflationary policies, though in some instances the smaller increase in money supply was somewhat offset by an increase in the velocity of circulation. Money supply expanded by 19 per cent in Japan, 10 per cent in France and 7 per cent in Western Germany. In the U.K. and the U.S.A., however, it expanded by only 1 per cent. In India money supply expanded during 1956 by 6 per cent, which was also much smaller than the expansion in 1955. In many Latin American and Asian countries, however, the expansion in money was much larger than in the above countries generally, the rises being as under: Colombia 24 per cent, Brazil 22 per cent, Chile 38 per cent, Burma 17 per cent, Israel 25 per cent and Philippines 13 per cent.

Inflationary pressures continued in most countries though they were, on the whole, less intense than during the previous year. As in the previous year, the sources and extent of inflationary pressures varied from country to country. In some countries, notably, France, budgetary deficit was the primary cause of inflation but in many countries it was the high rate of private investment, accompanied generally by wage increases in excess of the rise in productivity. The rise in index of wholesale prices

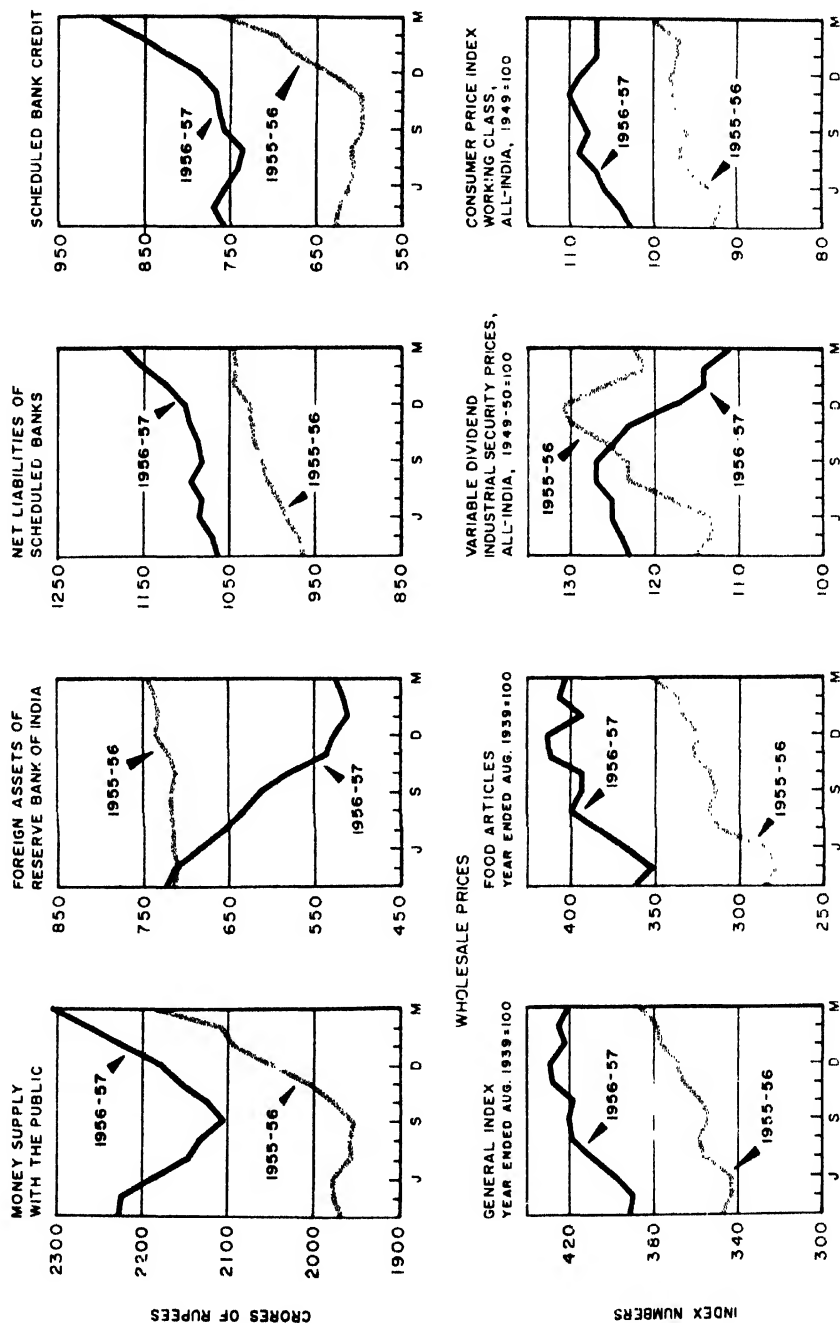
over the year was over 8 per cent in Japan. In France, Western Germany, the Netherlands, the U.S.A. and the U.K., wholesale prices recorded a net rise of 4.5 per cent each during the year. The index of cost of living rose in most countries, the increase being 6 per cent in the U.K., 5 per cent each in Australia and New Zealand and 2 per cent in the U.S.A., Canada and Western Germany. In India the rise in wholesale prices during 1956 was 16 per cent as compared to 1 per cent in 1955.

Because of the different degrees of inflation in different countries, the balance of payments position revealed divergent trends. Total gold reserves and official and private short-term dollar holdings of countries other than the United States rose by about \$2 billion to \$28.3 billion, but the increase was accounted for by a few countries. Thus, Continental Western Europe accounted for a rise of about \$1 billion, but most of the increase went to Western Germany (about \$950 million) and Switzerland, while France suffered loss of reserves of about \$450 million. Incidentally, the rate of increase in the gold and dollar assets of Continental Europe was considerably slowed down in 1956 as compared to the earlier year, chiefly because of the diversion of oil imports of countries in this area to the dollar area on account of the Suez crisis. Canada's gold and U.S. dollar holdings rose by \$450 million. The reserves of Latin American Republics as a whole increased, the chief beneficiaries being Venezuela and Brazil. Japan's dollar and gold reserves also recorded a rise, though in 1957 she is experiencing considerable loss of reserves. The rise in the gold and dollar assets of the rest of the world, which had been unbroken since 1951 and had continued in the first three quarters of 1956, was interrupted for the first time in the last quarter of the year. The main factor responsible for this development was the Suez crisis which pushed up U.S. exports faster than her imports. While other countries increased their purchases of coal, iron and steel products, oil and foodstuffs from the U.S.A., the increase in the U.S. imports was much smaller. During 1956 U.S. non-military exports increased by as much as 21.1 per cent while imports rose by only 10.8 per cent. As usual, the U.S. Government grants and credits continued to finance a sizeable part of these exports but in 1956 a significant part was also played by U.S. private investments abroad, which ran at a record level, rising from \$1.15 billion in 1955 to \$2.75 billion in 1956. These were chiefly accounted for by Canada and Latin America, with a total of \$1.66 billion, a sizeable portion of which was directed towards investment in oil companies.

The sterling area gold and dollars disclosed a nominal rise of \$13 million (to \$2133 million) in 1956, after taking credit for receipt of \$177 million from the sale of Trinidad Oil Company in September and for the U.K. drawing of \$561.5 million from the International Monetary Fund in December 1956. The U.K. has also arranged for a stand-by credit of \$738.5 million from the International Monetary Fund and a line of credit of \$500 million from the Export-Import Bank of Washington. It may be pointed out that the sterling area's loss of reserves occurred mainly

GRAPH 3

TRENDS IN SELECTED ECONOMIC INDICATORS DURING 1955-56 AND 1956-57



in the second half of the year and was accounted for mainly by an outflow of short-term funds, largely speculative in character, on account of the Middle East crisis. With the non-sterling world, the sterling area's payments position recorded an improvement in 1956, there being a surplus of £71 million as compared to a deficit of £172 million in 1955. The whole of the improvement must be attributed to the U.K. alone, since the rest of the sterling area's surplus showed a slight decline. Among individual countries, the payments position of Australia and New Zealand improved, while that of India in particular recorded a deterioration.

There was a further expansion of world trade during the year, due mainly to the liberalisation of imports. The expansion was also assisted by the increase in capital movements. Despite widespread balance of payments difficulties there was on the whole a further, though modest, progress towards the removal of exchange restrictions and discriminatory practices.

There was again widespread resort to monetary restraint measures in 1956 and also in 1957 in order to keep domestic investment within limits and to restore balance of payments equilibrium. This was reflected in discount rate rises, reinforced by open market operations, variations in reserve ratios as well as selective credit controls. During 1956 as many as eleven countries revised their discount rates; Western Germany, Canada and the Netherlands resorted to the device thrice. All these changes, except the third one in Western Germany, were in an *upward* direction, often following earlier rises. In Western Germany, due to a slackening in the boom in the second half of the year and the consequent decline in bank credit and commercial bank indebtedness, the discount rate was reduced in September 1956 from $5\frac{1}{2}$ to 5 per cent and further by $\frac{1}{2}$ per cent in January 1957; earlier in 1956 there had been two increases of 1 per cent each. In the U.S., where the accent of Federal Reserve policy continued to be on 'positive restraint', the discount rates of Federal Reserve Banks were raised in two stages (April and August 1956) from $2\frac{1}{2}$ per cent to 3 per cent. In the United Kingdom, the credit squeeze initiated in the preceding year was further reinforced in February 1956, when the Bank of England put up its discount rate by 1 per cent to $5\frac{1}{2}$ per cent (the highest level since 1932). The Bank rate was reduced to 5 per cent in February 1957 though it was made clear that the policy of monetary restraint would be continued.

An important innovation was introduced by the Canadian monetary authorities during the year in the operation of the discount rate mechanism. It was announced that, from November 1, 1956, the Bank rate would be one quarter of 1 per cent above the preceding weekly average tender rate for 91-day Treasury bills. Under this formula the discount rate has been as high as 4.06 per cent. Prior to November 1956 the Canadian discount rate had been raised thrice in 1956 by $\frac{1}{4}$ per cent each, following three consecutive rises in 1955. Of special significance was also the sliding scale discount rate structure introduced by the monetary authorities in Chile in 1956. Under the system, banks in Chile were allowed to borrow from the central bank at

the basic rate of $4\frac{1}{2}$ per cent upto a maximum of half of their combined capital and reserves at the end of 1955, borrowings beyond this limit being charged at a progressively higher rate rising upto 9 per cent. In January 1957, the basic rate was raised to 6 per cent and the limit to 11 per cent. In Colombia, the central bank recently announced that its rediscounting for the commercial banks was being frozen at the March 27, 1957 levels. The banks will be permitted to exceed this ceiling only in the cases of agricultural, livestock, or industrial paper approved by the central bank on an individual basis.

In 1957 there have been further discount rate increases, the most notable being the rise, to $2\frac{1}{2}$ per cent, effective May 15, of the Swiss Bank rate, which had remained unchanged for over 20 years at $1\frac{1}{2}$ per cent. The other countries to raise the discount rates were France and Japan. The above increases were all designed to achieve the same object, namely, to restrain excessive investment and consumption and to correct balance of payments disequilibrium.

The table below gives the changes in the discount rates of various countries since January 1956.

Changes in Central Bank Discount Rates

Country	Date of Change	Discount Rate		Difference
		Before Change %	After Change %	
1	2	3	4	5
Belgium-Luxembourg...	December 6, 1956	3.00	3.50	+ 0.50
Canada*	April 5, 1956	2.75	3.00	+ 0.25
	August 10, 1956	3.00	3.25	+ 0.25
	October 18, 1956	3.25	3.50	+ 0.25
Finland	April 19, 1956	5.00	6.50	+ 1.50
France	April 11, 1957	3.00	4.00	+ 1.00
Germany (Western)	March 7, 1956	3.50	4.50	+ 1.00
	May 19, 1956	4.50	5.50	+ 1.00
	September 6, 1956	5.50	5.00	- 0.50
	January 11, 1957	5.00	4.50	- 0.50
Greece	May 1, 1956	9.00	10.00	+ 1.00
Ireland	May 26, 1956	4.00	5.00	+ 1.00
Japan	March 20, 1957	7.30	7.67	+ 0.37
	May 8, 1957	7.67	8.40	+ 0.73
Netherlands	February 7, 1956	2.50	3.00	+ 0.50
	August 25, 1956	3.00	3.25	+ 0.25
	October 22, 1956	3.25	3.75	+ 0.50
Sweden	November 22, 1956	3.75	4.00	+ 0.25
Switzerland	May 15, 1957	1.50	2.50	+ 1.00
Turkey	June 6, 1956	4.50	6.00	+ 1.50
U.K.	February 16, 1956	4.50	5.50	+ 1.00
	February 7, 1957	5.50	5.00	- 0.50
U.S.A.†	April 13, 1956	2.50	2.75	+ 0.25
	August 24, 1956	2.75	3.00	+ 0.25

*Since November 1, the discount rate of the Bank of Canada is automatically adjusted to $\frac{1}{4}$ per cent above the preceding week's average tender rate for 91-day Treasury bills.

†The discount rate of the Federal Reserve Bank of New York.

In Australia, Norway, Sweden and the Union of South Africa support to the Government bond market was either withdrawn or rendered more flexible; in consequence, yields on Government securities showed a rise. The monetary authorities in Western Germany, Japan, the Netherlands and Australia also made notable use of open market operations for credit restraint. In a few countries, the quantitative restrictions took the form of variations in the reserve requirements of commercial banks. In New Zealand, for example, since the liquidity of the banking system remained generally high, changes in the discount rate (which stands at 7 per cent) were discarded in favour of variable reserve ratios; the reserve requirements in respect of demand and time liabilities were raised over the year from 26 and 7½ per cent in January to 34 and 12½ per cent, respectively, in October. In Brazil, the basic reserve ratios of 15 and 10 per cent on sight and time deposits, respectively, were reinforced by supplementary reserves against *increases* in deposits above the maximum amounts outstanding in the first half of 1956. Reserve requirements were also tightened in Austria, France and Peru. In Peru the commercial banks are now required to maintain minimum reserves of 69 per cent against demand deposits and 57 per cent against time deposits that exceed their February 28, 1957 levels (previously a 45 per cent reserve requirement against increases in both demand and time deposits over the June 1956 level had been in force).

In some countries, for instance, the U.K., France, the Netherlands and Norway, consumer credit controls were either imposed or tightened. The orthodox weapons of monetary restraint were supplemented by monetary authorities in several countries by 'moral suasion' i.e. the issue of 'directives', 'requests' and 'agreements'. The 'directive method' is now recognised as an essential part of the monetary policy in the U.K., Australia, Canada, New Zealand, the Netherlands, Norway and Sweden. In the U.K., for instance, the Chancellor of the Exchequer advised the banks, in July 1956, to pursue the policy of contraction of credit more resolutely than hitherto as the basic economic situation remained still critical calling for close vigilance. In the Netherlands, following the disinflationary measures taken by the monetary authorities, the attention of the commercial banks in the country was drawn to the desirability of restraint in the provision of credit. In Sweden, the Riksbank entered into an agreement in April 1956 with the commercial banks under which the latter would reduce their loans (excluding building loans) further to a level at least 5 per cent below that of July 31, 1955. Savings banks and agricultural credit institutions were also bound by this agreement.

Measures of credit restraint were in some countries reinforced by budgetary policy, the main features of which were increases in taxation, reduction in expenditure and a general drive to increase national savings by offering higher interest rates and other incentives, including reduction in personal taxation. Progress in this direction does not in general appear to have been too satisfactory, and some central banks have

in fact hinted that continued budgetary deficit was hampering effective credit restraint and emphasised the need for budgetary policy and monetary policy to go hand in hand.

In some countries, the rates of interest on savings certificates, bonds, etc. were raised. In the U.K. improved terms for small savings were announced in April 1956. A new series of National Savings Certificates was issued with a tax-free yield of £4-3-11 for a maturity of seven years as compared to the yield of £3-0-11 tax-free over ten years for the previous one. The yield on Defence Bonds was also raised from 4 to $4\frac{1}{2}$ per cent. Further, the issue of premium bonds eligible for lottery prizes in lieu of interest was also announced. In New Zealand, the Government announced increases in the various rates of interest on deposits in post office, national savings and trustee savings banks and building societies. In the U.S.A. the interest rate on savings bonds was recently raised from 3 to $3\frac{1}{4}$ per cent. In India too the rates of interest on small savings were raised, effective June 1, 1957, by $\frac{1}{2}$ - $\frac{3}{4}$ per cent.

II. PRODUCTION

Agricultural Production

Firm data on agricultural output are available only for the agricultural year 1955-56, during which overall agricultural production declined from the level of 1954-55, due mainly to a fall in the output of foodgrains, particularly coarse grains, cotton and oilseeds. Output of raw jute, however, recorded a substantial increase; production of sugar and plantation crops also recorded a small rise. The following table gives the production of important agricultural commodities during 1955-56 and the targets fixed under the First Five Year Plan.

Production of Agricultural Commodities, 1955-56

Commodities	Production targets under the First Five Year Plan		1955-56			
	Target for 1955-56	Percentage increase over 1950-51 (Base year)*	Production in 1955-56	Percentage increase (;) or decrease (—) over the base year	Percentage increase (;) or decrease (—) over 1954-55	
Foodgrains	61.6	14	64.9†	+ 20.1	— 2.5	
(Million tons)						
Sugarcane †	6.3	12	5.9	+ 4.3	+ 1.7	
(Million tons)						
Oilseeds	5.5	8	5.6	+ 10.2	— 10.2	
(Million tons)						
Cotton	42.3	45	40.0	+ 37.4	— 5.4	
(Lakh bales)						
Jute	53.9	64	42.0	+ 27.8	+ 43.2	
(Lakh bales)						

* For foodgrains the base year is 1949-50.

† In terms of raw sugar.

‡ Partially revised estimates for rice, maize and ragi included.

Provisional estimates indicate that overall agricultural production during 1956-57 will be somewhat better than in 1955-56. According to the All-India 'final' estimates, the output of rice during 1956-57 has reached the figure of 28.1 million tons or a rise of 4.8 per cent over production in the preceding year, while the output of ragi and maize has increased by 5.2 per cent and 18.2 per cent to 1.9 million tons and 3.0 million tons, respectively. According to the preliminary estimates available, the production of coarse grains in 1956-57 was slightly better than in the preceding year, though it was still about 3 million tons less than the production of 1953-54. In spite of the damage to the crop in certain parts of the country, output of wheat is expected to be higher at 8.6 million tons as against 8.3 million tons in 1955-56. Thus, overall output of foodgrains in 1956-57 is estimated to record a rise of 1.4 million tons to 66.3 million tons. Among commercial crops, output of cotton is expected to show a significant increase of 20.8 per cent (third estimate)

and that of sugarcane of 16.7 per cent (second estimate). Production of oilseeds is also expected to be better, the estimated increase in the output of groundnut being 5.8 per cent and of castorseed 4.0 per cent. The output of jute has been placed slightly higher than the last year's level. Production trends of individual commodities are reviewed below in some detail.

(1) *Foodgrains*.—The production of foodgrains (cereals and pulses) during 1955-56 is estimated at 64.9* million tons as against 66.6 million tons in the previous year and the peak of 68.7 million tons in 1953-54. This fall of about 2 million tons occurred mainly in coarse grains and has been attributed mainly to excessive rains and floods in some parts and drought conditions in others. The production of rice at 26.8* million tons was in fact 2.3 million tons higher than in 1954-55; and at 8.3 million tons the wheat crop was only slightly less than the previous year's level. In 1956-57, in spite of the increase in output of rice and wheat, referred to above, the overall supply position indicated prevalence of scarcity and Government took measures to augment supplies mainly by ensuring adequate imports. An agreement was entered into with the United States Government under U.S. Public Law 480 for import of wheat (and some rice) and also with Burma for import of rice. The total quantity of foodgrains imported during the calendar year 1956 was 13.94 lakh tons comprising 10.74 lakh tons of wheat and 3.20 lakh tons of rice. During the three months January to March 1957, further imports of food grains were received, comprising 5.40 lakh tons of wheat and 2.20 lakh tons of rice. Other measures were also taken to prevent a rise in prices, which are reviewed in the section on prices.

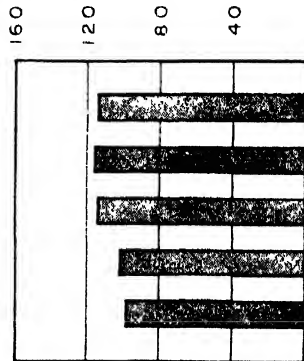
Schemes for increasing food production under the Grow More Food Programme were continued during 1956-57 and a provision of Rs. 25.6 crores was made for giving financial assistance to the States, mostly in the form of loans and to some extent in the form of subsidies. The number of tube wells completed by March 1957 under the Indo-American Technical Assistance Programme has been estimated at 2,650 and the construction of the additional 1,100 tube wells started under the Grow More Food Programme in 1954-55 is expected to be completed by June 1957. The work under the Ground Water Exploration Projects for drilling bores in 16 selected areas under the Technical Assistance Programme has also made satisfactory progress. The consumption of ammonium sulphate during 1956 was expected to reach a peak level of about 7 lakh tons and that of superphosphate of 1.0 lakh tons as against 5 lakh tons and 0.8 lakh tons respectively in 1955. For better utilisation of manurial resources, three schemes were initiated which aimed at increasing the farm-yard manure, better utilisation of night soil compost in village panchayat areas and popularisation of green manurial practices. Similarly, for the multiplication and distribution of seeds, a subsidy of Rs. 76.0 lakhs and a loan of Rs. 49.6 lakhs were sanctioned to the State Governments for the setting up of 485 farms of 25 acres each

* Partially revised figure.

PRODUCTION OF PRINCIPAL AGRICULTURAL COMMODITIES IN INDIA

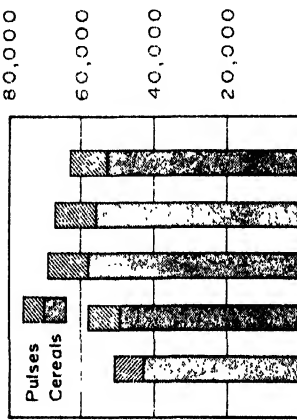
ALL AGRICULTURAL
COMMODITIES*

Index Nos.



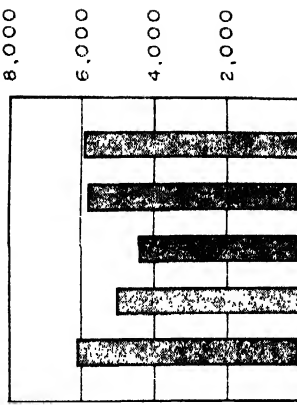
FOODGRAINS

Thousand Tons



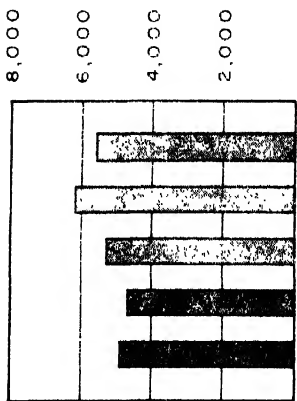
SUGAR (RAW)

Thousand Tons



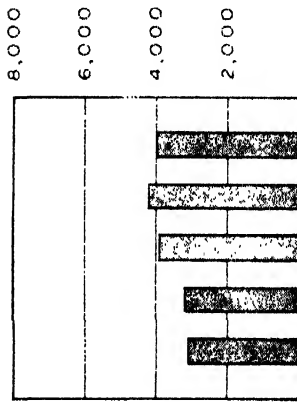
OILSEEDS

Thousand Tons



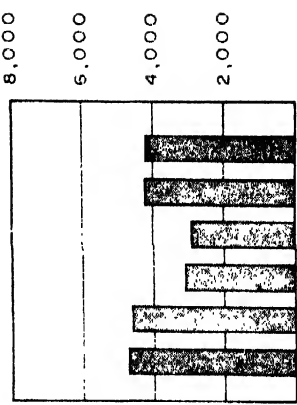
COTTON

Thousand Bales



JUTE

Thousand Bales



* Base Agri. Year: 1949-50 = 100. The indices for 1954-55 are based on the partially revised estimates and those for 1955-56 are based on the final estimates and are therefore subject to change.

during 1956-57. The land reclamation operations of the Central Tractor Organisation covered an area of 87,000 acres of *kans* and jungle land, bringing the total area reclaimed by this organisation to 15.5 lakh acres. Further, an area of about 21 lakh acres was brought under the Japanese method of paddy cultivation during 1955-56. The target for 1956-57 was fixed at 20 lakh acres out of which 14.53 lakh acres were actually brought under this method upto the end of December 1956. Finally, plant protection measures were intensified.

(2) *Other Agricultural Products.* (a) *Cotton.*—Measures adopted under the Cotton Extension Schemes of the Government of India introduced in 1950-51 were continued during the year 1955-56 and financial assistance was given for subsidising sales of improved seeds, providing necessary plant protection measures, popularising improved cultural methods, conducting propaganda and publicity in growing more cotton and employing additional staff for the execution of the Plan. The production of cotton, despite an increase in acreage, decreased from 42.27 lakh bales in 1954-55 to 39.98 lakh bales in 1955-56 due mainly to damage by the heavy rains and floods during September 1955. Weather conditions during the 1956-57 season were favourable and even though the cotton crop was damaged by heavy rains in October 1956 and cold wave and frost in January-February 1957 in some parts, total cotton production was expected to show a substantial increase over the previous year.

As a result of the steady switch-over to the production of longer staple cotton in India, imports of cotton have shown a steady decline and mills consumed more Indian cotton and less foreign cotton during 1956-57. Stocks of cotton with the mills remained almost at the same level at the beginning of cotton year 1956-57 as at the beginning of the previous year. At the beginning of the cotton year (September 1, 1956) the stocks of cotton with mills amounted to 16.13 lakh bales consisting of 2.05 lakh bales of foreign cotton and 14.08 lakh bales of Indian cotton, as compared to 16.23 lakh bales consisting of 1.79 lakh bales of foreign cotton and 14.44 lakh bales of Indian cotton a year earlier.

The system of fixing floor and ceiling prices for raw cotton, spot as well as futures, continued to be operative, the limits for the 1956-57 season (September-August) being the same as for the previous year, namely, Rs. 495 and Rs. 820 per candy for Jarilla and Rs. 565 and Rs. 925 for Vijay. In April 1957, however, the Forward Markets Commission fixed the ceilings for the Jarilla May futures contract and the Vijay June contract at Rs. 754 and Rs. 878, respectively. There was no control on the movement and distribution of cotton upto March 29, 1957. As the cotton prices showed a sharp rising trend since December 1956, in order to enable mills to obtain cotton at reasonable prices, the Government authorised the Textile Commissioner on March 30, 1957, to direct those holding stocks to sell cotton in a manner specified by him.

(b) *Jute*.—The area under jute during 1956-57 showed an increase of 8.3 per cent over the previous year which was shared by Bihar and to a smaller extent by Tripura. The output of jute increased, however, only by 0.6 per cent to 42.21 lakh bales. Production of mesta, on the other hand, recorded a sharp rise of 27.2 per cent from 11.59 lakh bales to 14.74 lakh bales. The increase in the production of jute in Bihar and Tripura has been almost offset by a fall in jute production in West Bengal, Assam and Orissa due to damage caused by unfavourable weather conditions at the growing period of the crop. Government continued its efforts to increase the output of raw jute. Under the Jute Development Scheme, the establishment of a Jute Seed Multiplication Farm in Orissa has been sanctioned and a farm for the production of nucleus jute seeds has been started at Pannagarh (West Bengal). The slight increase in output of raw jute was inadequate to cover the total requirements of the Indian jute industry, and imports also declined from 12.8 lakh bales in the year 1955-56 (July-March) to 5.2 lakh bales in 1956-57, aggravating the position of raw material supply.

(c) *Oilseeds*.—The total production of the five major oilseeds (groundnut, rape and mustard, sesamum, linseed and castorseed) recorded a fall from 62.4 lakh tons in 1954-55 to 56.0 lakh tons in 1955-56, mainly due to a substantial fall in the output of groundnut as a result of unfavourable climatic conditions. The 1955-56 output was, however, higher than the target of 5.5 million tons fixed for 1955-56 under the First Five Year Plan. According to the 'final' official forecasts, the output of groundnut and castorseed for 1956-57 has been placed at 40.9 lakh tons and 1.3 lakh tons respectively as against 38.6 lakh tons and 1.2 lakh tons respectively under the corresponding adjusted estimates of 1955-56. The output of sesamum during the current year has, however, shown a small decline as the final estimate places the production for 1956-57 at 4.5 lakh tons as against 4.6 lakh tons under the corresponding adjusted estimate of 1955-56.

(d) *Sugarcane*.—The output of sugarcane (in terms of gur) increased from 57.6 lakh tons in 1954-55 to 58.6 lakh tons in 1955-56 due partly to an increase in acreage and partly to favourable seasonal conditions during the growing period. The campaign for the intensive manuring of sugarcane crop initiated during June 1954 in U.P., Bihar and Punjab and extended to Bombay, Andhra, Madras and Mysore during 1955-56 was further extended to other States including Rajasthan, West Bengal, Madhya Pradesh, Orissa and Assam and out of the target of 15 lakh acres, 14.1 lakh acres were covered during the year.

(e) *Tea*.—In 1956, the output of tea in India was almost steady at the 1955 level of some 660 million lbs. As a result of the temporary relaxation of restrictions on direct shipments to London in February 1956, there was a more confident outlook at the beginning of the new season and increased plucking in North East India was in evidence. But shortly thereafter, as a result of voluntary

restriction on plucking in that region, the rate of increase in output slowed down. During the year as a whole, while the production of tea in North India increased by 2.5 million lbs. to 536.7 million lbs. there was an almost equivalent decline in the production of South Indian tea at 127 million lbs. thus ensuring the relative steadiness of output. Exports on the other hand, showed a sharp rise from 368 million lbs. in 1955 to 524 million lbs. in 1956, which was attributed to the higher demand mainly from the U.K., Egypt and the U.S.S.R. Stock building in Western Europe consequent on the West Asian political developments was partly responsible for increase in demand.

(f) *Tobacco*.—The production of tobacco recorded an increase from 2.44 lakh tons in 1954-55 to 2.59 lakh tons in 1955-56 on account of favourable weather conditions. In view of the increasing importance of tobacco in the national economy, tobacco research, extension and development schemes were included in the Second Five Year Plan with the primary object of improving the quality of tobacco produced in the country.

Revised Targets for Agricultural Production under the Second Five Year Plan.—According to the targets originally set out in the Second Plan, the increase in agricultural production as a whole was to be of the order of 17 per cent and that of foodgrains production of 15 per cent. It was, however, felt that these targets might not be adequate to meet the increasing demand for food and raw materials expected to be generated by the implementation of the Second Plan. The Planning Commission, in consultation with the Union and State Governments, therefore, raised the targets substantially and decided to maximise efforts to achieve these targets, within the resources originally allotted under the Plan, namely Rs. 568 crores. The revised targets of agricultural production as compared to the targets originally proposed are given in the following table:

Commodity	Unit	Estimated production 1955-56 (as given in the Plan)	Tentative targets of production as in the Plan	Revised targets of production	Percentage increase in Planned production	
					as in the Plan	as revised
					(1 over 3)	(5 over 3)
1	2	3	4	5	6	7
Foodgrains	Million tons	65.0	75.0	80.5	15	23.8
Oilseeds	"	5.5	7.0	7.6	27	38.2
Sugarcane (gur) ..	"	5.8	7.1	7.8	22	34.5
Cotton	Million bales	4.2	5.5	6.5	31	54.8
Jute	"	4.0	5.0	5.5	25	37.5
Other crops .. ..	"	..	..	..	9	22.4
All commodities ..	..	..	..	..	17	27.1

Industrial Production

The rising trend of industrial production which has been one of the notable features of the Indian economy during the past several years continued during 1956, the rise being shared by both capital and consumer goods industries, prominently by the newer ones. The average general index (base: 1951=100) at 132.8 for 1956 recorded a further rise of 8.8 per cent over the 1955 level which itself was higher by 8.1 per cent as compared to 1954.

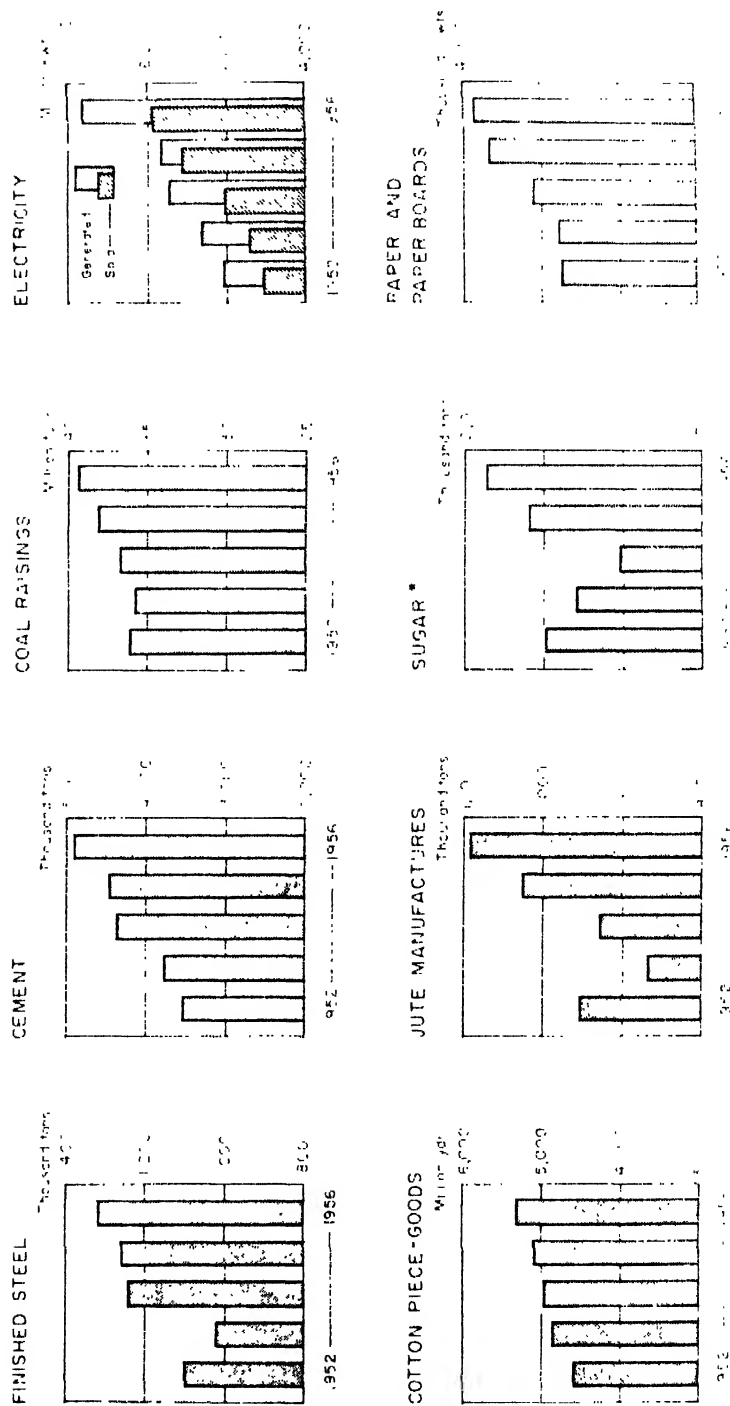
During the year, most of the industries recorded increases in output, the rise being more marked in sugar, cement, general engineering, automobiles and bicycles. On the other hand, output of vegetable oil products and matches recorded declines. Among basic industries, all the industries showed increases in output. Production of cement rose by 8.9 per cent from 4.5 million tons in 1955 to 4.9 million tons in 1956, thus surpassing the First Five Year Plan target of 4.8 million tons; the rise was due to additions in the installed capacity resulting from implementation of some expansion schemes and the coming into production of a new unit. In order to meet increasing internal demand, arrangements were made for larger imports. Imports of cement rose from 15,000 tons in 1955 to 118,000 tons in 1956 and are likely to rise further in 1957, the State Trading Corporation having entered into contracts for the import of 483,000 tons by the end of March 1957. On the other hand, exports of cement declined from 92,000 tons in 1955 to 15,000 tons in 1956, although the First Five Year Plan had envisaged the export of 200,000 to 300,000 tons by 1955-56. The production of coal also showed a further significant increase of 1.2 million tons to 39.4 million tons in 1956 in spite of the labour strikes in some important groups of collieries in Raniganj field and unprecedented floods. The target for coal output by the end of the Second Plan period (1960-61), has been fixed at 60 million tons. Of the additional production, 10 million tons will be in the private sector and 12 million tons in the public sector. The output of finished steel also rose from 1.26 million tons in 1955 to 1.32 million tons in 1956. The pig iron output which had recorded a decline in 1955 to 1.9 million tons rose again to the 1954 level of 2.0 million tons.

A number of engineering and electrical industries recorded a marked rise in output, the notable among them being radio receivers, electric motors, diesel engines, sewing machines and power transformers. In the transport section production of bicycles and automobiles recorded further sharp rises of 35.2 per cent and 39.2 per cent, respectively. The manufacture of new items such as Lambretta scooters and scooterettes, auto-rickshaws, shock absorbers, radiators and brake linings was undertaken during 1956.

Most of the industries in the chemical group continued to maintain a rising trend. The output of soda ash rose from 77,268 tons in 1955 to 84,240 tons in 1956. The production of caustic soda, superphosphates, soap, bleaching powder and

GRAPH 5

INDUSTRIAL PRODUCTION IN INDIA



chlorine also continued to rise. Production of salt increased to 89 million maunds in 1956 as against 81 million maunds in 1955. On the other hand, the output of sulphuric acid and ammonium sulphate came down slightly. The output of matches declined from 616,000 cases in 1955 to 589,000 cases in 1956.

The output of cotton cloth recorded a further rise and reached a peak of 5,307 million yards in 1956 as against the previous record of 5,094 million yards in 1955. The output of cotton yarn also rose from 1,630 million lbs. in 1955 to 1,671 million lbs. in 1956 and exceeded the First Plan target of 1,640 million lbs. The rate of growth in output continued during 1957. During the first quarter of 1957 output of cotton cloth totalled 1,372 million yards as compared to 1,258 million yards in the corresponding quarter of 1956. The output of handloom cloth during 1956 was also markedly higher at 1,509 million yards. The output of jute goods showed a further but small increase from 10.3 lakh tons to 10.9 lakh tons in 1956. Production of hessian increased from 4.0 lakh tons to 4.2 lakh tons and production of sacking from 5.7 lakh tons to 6.1 lakh tons. In January 1956, the Indian Jute Mills Association decided to unseal the looms in stages out of the 12½ per cent looms sealed since 1949. The first 2½ per cent looms were released for working with effect from January 9, 1956 and the second release of 5 per cent became effective on February 20, 1956. As a result there was an increase in production but since demand failed to keep pace with increased output, stocks began to accumulate. It was, therefore, decided by the Association to reduce production by re-sealing the looms; 2½ per cent looms were re-sealed on July 16, 1956 and another 5 per cent on September 17, 1956. Hence production during the first quarter of 1957, at 2.5 lakh tons was lower than the production of 2.8 lakh tons during the corresponding period of 1956. Production of hessian was, however, higher than the corresponding quarter of 1956 by 13,000 tons.

The output of sugar during the 1955-56 sugar season reached a record of 18.5 lakh tons which exceeded the First Five Year Plan revised target of 18.0 lakh tons and was higher by 16.4 per cent as compared to 1954-55 season's output of 15.9 lakh tons, which itself was higher by 59 per cent than in the preceding season. The substantial rise in output is attributed partly to larger cane supplies and partly to an increase in the number of factories working which rose from 136 to 143. Larger cane supplies, in turn, were due to the improvement in sugarcane crop and diversion of the same to the sugar factories due to low level of gur prices. As a result, the average duration of the crushing season rose to 145 days as against 132 days in 1954-55. The production of sugar during the 1956-57 season (November-June) is reported to be still higher at 20.5 lakh tons. With a view to augmenting export earnings, the Government of India announced export quotas. The actual commitments for exports upto June 17, 1957 were 1.42 lakh tons. To increase export availability by restricting domestic consumption, Government doubled the excise

duty on sugar to Rs. 11.25 per cwt. with effect from May 16, 1957. During 1956 licences were issued for setting up of 21 new sugar mills and for expansion of 13 of the existing factories.

A number of industries in the public sector made substantial progress during the year and new targets were achieved almost in every enterprise. The more notable among them were the Penicillin Factory at Pimpri whose output rose from 6.6 million mega units in 1955 to 14.2 million mega units in 1956, and the Fertilizer factory at Sindri, where the production of ammonium sulphate increased to 331,000 tons in 1956 as against 321,364 tons in 1955. The new coke oven battery at Sindri maintained its production at the rated capacity of 600 tons per day. The coke oven gas will be used for the production of two new fertilizers, urea and double salt, enabling Sindri to increase its production by about 60 per cent. This expansion programme is expected to be completed by 1958. In addition to the expansion of Sindri Factory, preliminary work is going forward on two large new fertilizer factories of the size of Sindri. The D.D.T. factory at Delhi, which went into production in 1955, produced nearly 500 tons of D.D.T. during the year. A second D.D.T. factory is being established at Alwaye in Kerala and is expected to be completed in 1958. The Hindustan Cables factory at Chittaranjan manufactured 610 miles of cable in 1956 as against 386 miles in the preceding year.

Progress was made in the establishment of steel units in the public sector. The Government of India settled with the Soviet Union, on March 8, 1956, the final blueprint for the construction of the Bhilai steel plant. Nearly half the cost of the equipment and construction of the Bhilai works will be met by a loan to be given to India by the Soviet Union. The loan will carry interest at 2½ per cent and will be repayable in 12 annual instalments from a year subsequent to the date on which credit is raised.

The final contract with the Indian Steel Works Construction Co., London (ISCON), a consortium of leading British firms, for the erection of the Durgapur steel plant was signed on October 31, 1956. An offer of a loan of £11.5 million from a syndicate of British Banks has been accepted, while another loan of £15 million will be available from the U.K. Government. The planning and preliminary work in respect of this project, as well as the Bhilai steel plant, were completed and the management of these projects was transferred to the Hindustan Steel (Private) Ltd., which had been set up in 1953 to implement the Rourkela steel project. This company is now wholly owned by the Central Government, the German Combine of Krupps and Demag having been recently relieved of their obligation to contribute to the share capital of the company.

Government have also been entering newer fields of industry. Special mention may be made of Government's decision to set up a factory at Bhopal to manufacture heavy electrical equipment with the technical co-operation of Messrs. Associated

Electrical Industries Ltd. of the U.K. This factory is expected to go into production in 1960. A private limited company with an authorised capital of Rs. 30 crores, completely owned by Government, was incorporated on August 29, 1956, under the Indian Companies Act, 1956, to control and manage this project.

Trends in National Income

The rising trend of National Income witnessed since 1949-50 was maintained in 1955-56, the latest year for which preliminary estimates are available, though the rate of increase was lower than in 1954-55, reflecting mainly the decline in agricultural output. At *constant* (1948-49) prices, the *preliminary* estimate of national income, i.e. net national output at factor cost for 1955-56 is placed at Rs. 10,420 crores† as compared to Rs. 10,280** crores in 1954-55 and Rs. 8,850 crores in 1950-51, the pre-First Five Year Plan year (see Table below). The rate of increase was thus 1.4 per cent in 1955-56 as compared to 2.5 per cent in 1954-55. At *current* prices the rise was even smaller, from Rs. 9,620 crores in 1954-55 to Rs. 9,650 crores in 1955-56, against a fall in 1954-55 from the level of Rs. 10,480 crores in 1953-54. In 1955-56, the per capita national income at Rs. 272.1 recorded hardly any increase as compared to the figure of Rs. 271.9 for 1954-55, while at *current* prices it declined, from Rs. 254.4 in 1954-55 to Rs. 252.0. As compared with 1950-51, national income in 1955-56 was 17.7 per cent higher and the per capita income 10.5 per cent higher, both at *constant* (i.e. 1948-49) prices.

Whereas in 1954-55, the rise in national income (at 1948-49 prices) was accounted for by all the sectors, in 1955-56 only three sectors contributed to the rise, namely (i) mining, manufacturing and small enterprises, Rs. 50 crores (Rs. 50 crores) (ii) commerce, transport and communications, Rs. 60 crores (Rs. 80 crores), and (iii) other services (including professions, government services etc.), Rs. 80 crores (Rs. 70 crores), figures in brackets indicating the rise in 1954-55. As against these increases, the contribution of agriculture, animal husbandry and ancillary activities recorded a decline of Rs. 50 crores, as compared with a rise of Rs. 50 crores in 1954-55. The

	1955-56 @	1954-55	1953-54	1952-53	1951-52	1950-51
<hr/>						
<i>Net output in Rs. abja*</i>						
1. At current prices ..	96.5	96.2	104.8	98.2	99.7	95.3
2. At 1948-49 prices ..	104.2	102.8	100.3	94.6	91.0	88.5
<hr/>						
<i>Per capita net output in Rs.</i>						
3. At current prices ..	252.0	254.4	280.7	266.4	274.0	265.2
4. At 1948-49 prices ..	272.1	271.9	268.7	256.6	250.1	246.3

* abja = 100 crores. = 1,000 million.

@ Preliminary.

†Based on partial material and subject to revision.

**Revised figure; the earlier estimate was Rs. 10,170 crores. The increase is mainly accounted for by the agricultural sector, the revised figure for this sector being Rs. 5,030 crores as compared to the previous estimate of Rs. 4,960 crores.

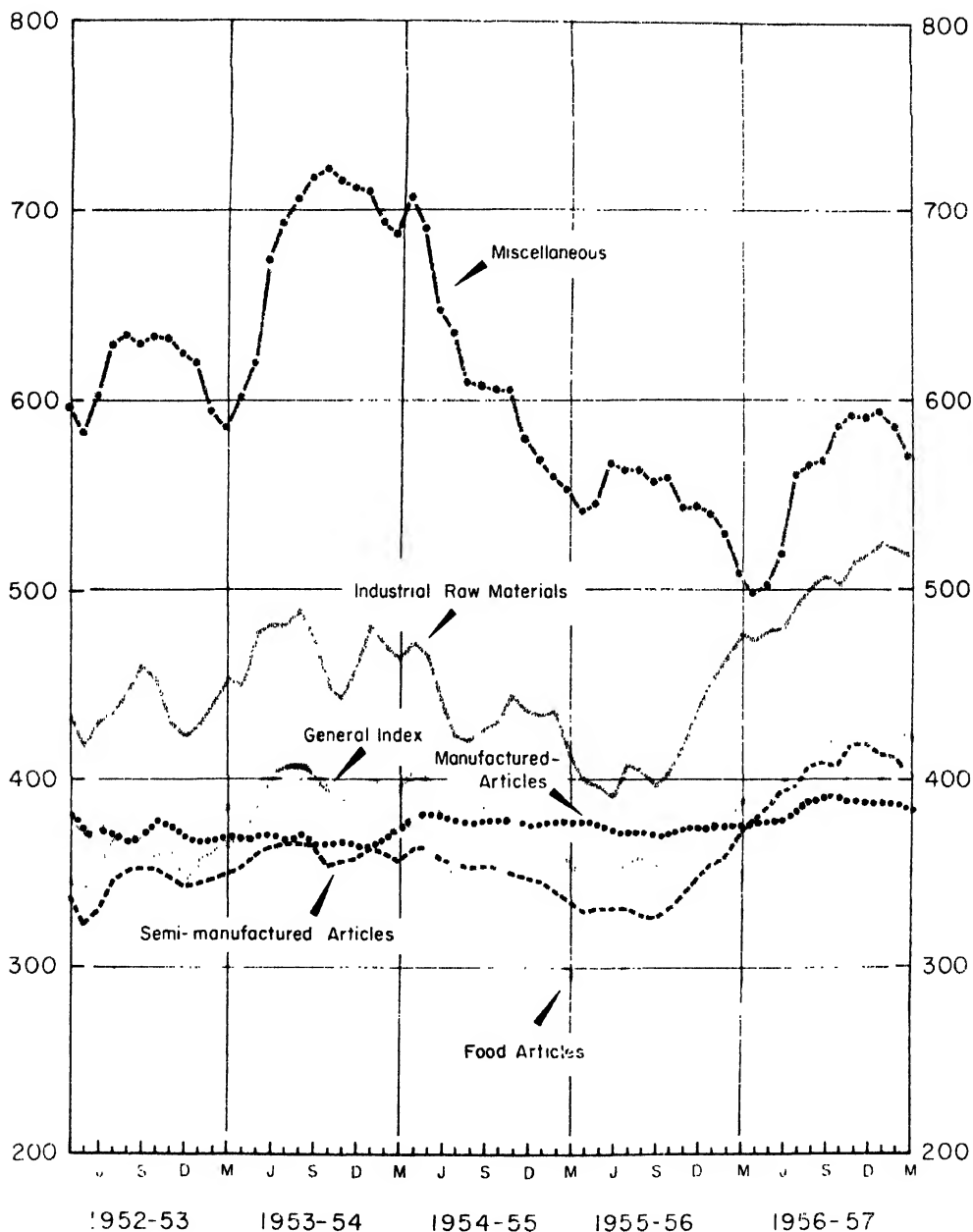
trend was the same even at current prices with the important difference that the decline in the value of output of agricultural sector was sharper, by Rs. 130 crores, from Rs. 4,350 crores in 1954-55 to Rs. 4,220 crores in 1955-56.

National Income estimates for 1956-57 are not available but in view of the trends in industrial and agricultural production, increased outlay in public and private sectors (contributing to the increase in the tertiary industries) and simultaneous increases in communications and transport, national income at constant prices must have increased at a higher rate than in 1955-56.

GRAPH 6

INDEX NUMBERS OF WHOLESALE PRICES

Base Year ended August 1939=100



III. PRICES

General.—The continuance of the rising trend of commodity prices, which has been in evidence since early June 1955, was one of the less satisfactory features of the Indian economic scene in 1956-57. Over the year, the Economic Adviser's Weekly General Index of Wholesale Prices (base : Year ended August 1939 = 100) rose by nearly 8 per cent* on top of the rise of about 12 per cent in 1955-56. The annual average of weekly indices for the year at 414 was 15 per cent higher than that for 1955-56 in contrast to the fall of about 5 per cent in the preceding year.

(Base: Year ended August 1939 = 100)

Groups	End- March 1955	End- March 1956	End- March 1957	Percentage change of		Average		for	Percentage change of
				(1)	(2)	1954- 55	1955- 56	1956- 57	
				over	over				
	(1)	(2)	(3)	(2) (1)	(1) (5)	(6)	(7)	(8)	(7) (9)
All Commodities ..	350	390	421	+ 7.9	+ 11.5	378	360	414	+ 11.9
Food Articles ..	293	359	402	+ 11.9	+ 22.5	340	313	389	+ 24.3
Industrial Raw Materials	400	478	520	+ 8.7	+ 19.5	436	420	502	+ 19.5
Semi-Manufactures	332	376	401	+ 6.6	+ 13.3	350	338	402	+ 18.9
Manufactures ..	376	374	384	+ 2.7	— 0.5	377	373	385	+ 3.2
Miscellaneous ..	546	494	567	+ 14.7	— 9.5	612	546	559	+ 2.4

The current advance in the general level of wholesale prices is the third phase of rise since 1950, but the recent uptrend has lasted much longer than the preceding upward movements. Further, unlike the Korean boom phase of 1950-51 when the food index had shown comparatively little change, during the current phase this group has shown a sharp rise. On the other hand, whereas the manufactures group also had recorded a significant increase during 1950-51, in the current uptrend it has shown a comparatively small rise.

Wholesale Price Indices (Weekly) as on some key dates

	June 24, 1950 (Pre- Korea)	Mid- April 1951 (Kore- an Peak)	Mid- March 1952	Mid- Aug. 1953	Sept. 25, 1954	June 4, 1955	End- March 1956	End- March 1957	Percentage change of	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8) over (1)	(8) over (2)
All Commodities	397	462	365	412	384	341	390	421	+ 6.0	— 8.9
Food Articles ..	407	414	335	410	362	277	359	402	— 1.2	— 2.8
Industrial Raw Materials ..	494	700	383	489	428	386	478	520	+ 5.3	— 25.7
Semi-Manufac- tures ..	336	390	339	367	352	331	376	401	+ 19.3	+ 2.7
Manufactures ..	347	413	377	371	379	371	374	384	+ 10.7	+ 7.0
Miscellaneous ..	692	789	611	705	607	575	494	567	— 18.0	— 28.1

* According to the revised index number of wholesale prices (with the average of 1952-53 as the base), which has a more comprehensive coverage, the rise in the general index was smaller at about 6 per cent. The rise of two main groups, namely, 'food articles' and 'industrial raw materials' was also smaller at 7.5 per cent and 5.6 per cent as compared to 11.9 and 8.7 per cent respectively, under the old series. The 'manufactures' index, however, shows a slightly larger rise of 2.9 per cent as against 2.7 per cent according to the old series. Of course, the new groups are not quite comparable with the old ones. As regards individual commodities, the disparity in the price rise was marked in the case of rice; whereas according to the old series the rise was 14 per cent (March-end 1957 over early April 1956), it was only 9 per cent according to the new ones.

Broadly, whereas the 1950-51 rise was 'imported', the 1955-57 rise appears to be primarily of domestic origin, reflecting mainly the excess of demand over supply arising from high levels of investment activity in the public and private sectors. The general index at the end of March 1957 was still about 9 per cent below the Korean peak level. Since the close of the year, there has been some further rise; the index for the week ended June 1, 1957 (439.6) was, however, still below the Korean peak level (462 on April 14, 1951).

The rise in prices during the year under review was, however, less continuous than in the preceding year. Thus, for instance, for about two months from mid-August 1956, the general index remained very steady; the index which had risen more or less continuously from 390.4 towards the end of March to 421.1 for the week ended August 18, thereafter moved very narrowly between 417.1 and 421.5. From the last week of October there was again a more or less continuous rise for about two months; after a rather sharp fall in the latter part of December from 430.7 to 417.8, the index again ruled very steady during practically the whole of the first four months of 1957 moving between 417.8 and 427.2. This steadiness of prices in a period marked by an upward pressure was probably due to some extent to seasonal factors.

As in the previous year, the rise occurred mainly in three groups, namely, 'food articles', 'industrial raw materials' and 'semi-manufactures', the extent of the rise being, however, only about half of that in the preceding year. During 1956-57 the 'manufactures' and 'miscellaneous' groups also recorded rises of 2.7 per cent and 14.7 per cent, respectively, which was in contrast to the declines of 0.5 per cent and 9.5 per cent in 1955-56. The direction of movement of the prices of sub-groups as well as of individual commodities was generally uniform but the magnitude of variations varied considerably, as in the past, due to the operation of special factors. In the 'food articles' group, for instance, the rise in the various sub-groups and individual commodities during the year under review was substantially less than in the preceding year (in the case of rice 18.7 per cent as compared to 24.8 per cent in 1955-56, though since the close of the year there has been a further rise of 12 per cent up to June 1, 1957), with the exception of bajra, which recorded a much sharper rise of 48 per cent as compared to 6 per cent in the previous year. In the case of sugar and gur also the trend was different: whereas the price of sugar had declined by 5.7 per cent in 1955-56, it recorded a fractional rise of 0.4 per cent. On the other hand, gur which had risen sharply by 36.7 per cent in 1955-56, declined by 12 per cent in the year under review. The fall in gur prices was attributed largely to higher output of gur during the year following the higher sugarcane output and the substantial rise in sugar production which might have resulted to some extent in a shift from gur to sugar consumption. The index of tea

prices fell by 3.4 per cent, following a sharp fall of 34.2 per cent in 1955-56 ; the decline, however, occurred mainly in the first quarter of 1957. Earlier there was a rising trend, the index moving up by 38 per cent from 380 at the end of March 1956 to 526 in mid-December 1956 : subsequently it declined to 367 by the end of March 1957 after which there have been wide fluctuations.

In the ' industrial raw materials ' group, the extent of rise was fractionally larger in the case of fibres, mainly because of a 7.5 per cent rise under raw jute (as compared to a decline of 6.2 per cent in 1955-56) ; this rise was due mainly to lower imports and strong mill demand. In the case of raw cotton the price rise of 3.6 per cent was substantially less than in 1955-56 (23.5 per cent). This was probably due to a larger cotton crop, a lower export quota than in the previous year, and strong intervention by the Forward Markets Commission in the futures market. In the oilseeds subgroup, the rise was only 3.7 per cent as against a rise of 61 per cent in 1955-56 : while linseed in fact recorded a decline of 12.7 per cent as against a rise of 52.6 per cent in the preceding year, prices of groundnuts showed more or less a continuous rise between March 1956 and end-January 1957 but came down subsequently showing practically no net change over the year. The earlier rise was due to the lower crop in 1955-56 and increased domestic demand, while the later decline was due to prospects of improved supplies in 1956-57 and the steps taken by the Forward Markets Commission to regulate prices in futures market. Castorseed prices, however, recorded a further substantial rise of 36.4 per cent on top of a rise of 78.9 per cent in the preceding year on account of better demand for castor oil from the U.S.A. and larger exports. Among minerals, coal (the price of which is regulated by Government) recorded a sharp rise of 18.8 per cent as compared to a small rise of 1.4 per cent in the previous year. In the ' semi-manufactures ' group, the index for cotton yarn rose by 6.4 per cent or nearly twice the rise in the previous year and the index for pig iron (the price of which is controlled by Government) rose by 39.7 per cent as against no change in 1955-56.

In the ' manufactures ' group, both cotton and jute manufactures showed small net rises of 2.7 per cent and 4.1 per cent, whereas in 1955-56 there had been net declines, which in the case of jute goods had been rather sharp at 12.2 per cent. In the case of jute goods, the rise was due to production cuts instituted in July and September 1956, through restriction on looms and the sizeable rise in offtake for domestic consumption. It is interesting to note that the price index of jute manufactures at the end of March 1957 was about 63 per cent below the index at the peak of the Korean boom six years back.

As far as controlled prices are concerned, prices of coal, pig iron, steel and cement were revised upwards during the year under review. Early in July 1956, the

Government increased the price of all grades of coal raised in Bengal and Bihar by Rs. 3 per ton, with a view to covering the increase in cost of production due to the implementation of the Award of the All-India Industrial Tribunal. As regards pig iron and steel, with a view to encouraging decentralization of industries and reducing disparities in levels of development between different regions, Government introduced in June 1956 uniform prices for all controlled categories of steel as well as pig iron at all rail-head destinations in the country. The new uniform price for steel was fixed at Rs. 525 per ton, representing an increase of about Rs. 25 per ton, over the price prevailing at the port towns, Bombay, Calcutta and Madras, and at the main producing centres, Jamshedpur and Burnpur and a decrease at other places, for instance, at Kanpur and Amritsar, of Rs. 35 per ton. As regards pig iron, the price was raised from Rs. 163 per ton (exclusive of freight) to Rs. 225 per ton (inclusive of freight) mainly with a view to averaging out the domestic price and the price for imported pig iron which had risen considerably. Cement prices were also raised, from an average of Rs. 90 per ton to Rs. 102.50 per ton (both prices being inclusive of freight, packing and handling charges, but exclusive of the dealers' margin) effective July 1, 1956 when State trading was introduced in this commodity. The difference between the price paid to producers and the new 'pool' price is to be utilised to subsidise imported cement and to cover freight. In May 1957, following the increase in the excise duty on steel ingots and cement proposed in the Finance Bill introduced in Parliament, (vide Chapter VII), the price of steel was raised by Rs. 70 per ton and that of all categories of cement by Rs. 15 per ton, which was the increase in the excise duty.

Turning now to the examination of general influences on the price trend, it would appear that the stimulus for the price rise came, by and large, from the steadily accelerating tempo of the investment programme from year to year, super-imposed upon some decline in agricultural output from the record levels for food production and total agricultural output reached in 1953-54 and 1954-55 respectively. The volume of voluntary savings has been insufficient in relation to demand with the result that deficit financing in the public sector and reliance on bank credit in the private sector has been rising. In the result there has been a growing pressure of demand on the economy which has been reflected in a rise in prices. The pressure of demand was, however, softened through a substantial increase in imports. The pressure of demand was particularly high in the case of foodgrains and industrial raw materials, which groups, as already mentioned, recorded substantial increase in prices. In view of the imperfect nature of agricultural statistics, both as regards production and marketable surplus, it is difficult to account precisely for the variations in prices of particular commodities or groups of commodities. It should be noted that in a country where farming is essentially on a small scale, with the producer himself accounting for a substantial part of the consumption in respect

of foodgrains, small changes in the holding of stocks may tend to modify significantly the marketable surplus. Thus, for instance, in recent months it is stated that there is substantial hoarding of stocks by producers themselves, thus aggravating the rise in foodgrain prices. In a boom phase there is a general tendency for the over-building of stocks by all sections, producers, traders, manufacturers and also consumers, partly with the assistance of bank credit. Undoubtedly this phenomenon has been in evidence in the Indian economy during the last year or two. In the case of food grains, rice in particular, it is also believed that there has been some movement into East Pakistan where the crop has been poor. Government, however, have felt that the rise in prices of foodgrains requires to be more fully investigated and consequently they set up on June 24, 1957, a high powered Committee to investigate the causes of rising food prices and to recommend measures to meet the situation. The Committee has also been asked "to make recommendations to ensure a level of prices which would provide the necessary incentive to the producer with due regard to the interest of the consumer and the maintenance of a reasonable cost structure in the economy."

Price Policy

In these circumstances Government's efforts have been directed both towards increasing supplies of goods and restraining excess demand. Increase in supplies, especially of foodgrains, is being effected, in the short run, mainly through arranging for larger imports of foodgrains and distributing these through a net-work of fair price shops all over the country. As mentioned in an earlier chapter, agreement has been entered into with United States Government for the purchase of surplus commodities, namely, wheat, rice and cotton ; arrangements have also been made with the Government of Burma for rice imports. The quantity of foodgrains imported in 1956 was nearly 14 lakh tons as compared to 7 lakh tons in 1955. Government have also imposed a ban since early 1956 on exports of food grains. For the distribution of foodgrains, about 20,000 fair price shops have been opened in many parts of the country. Apparently the number of fair price shops is insufficient and there have also been complaints of inadequacy of releases, which of course depends mainly on the quantum of imports, since Government's policy has been to refrain from making local purchases. Very recently the policy of dividing the country into zones for the purpose of regulating movements in wheat is also being put into operation. Accordingly the Government announced, on June 13, 1957, the creation of three wheat zones, namely, (1) the Punjab, Himachal Pradesh and Delhi, (2) U.P. and (3) Rajasthan, M.P. and Bombay (excluding the City of Bombay). The effect of this zonal arrangement will be free and unrestricted movement of wheat and wheat products within a zone, but export from and import into the zone will not be permissible, except under a permit issued by the State Government concerned. The long-term solution to the problem of food scarcity is of course increased production and Government have been giving urgent attention to this.

In some cases, e.g. cotton and oilseeds, the excessive price rise was sought to be checked by intervention of the Forward Markets Commission. With effect from February 11, 1957, the East India Cotton Association, in exercise of powers taken by them with the approval of the Forward Markets Commission, imposed more stringent margins on futures contracts. The margins were made applicable at lower levels, namely, Rs. 700 per candy (of 784 lbs.) for Jarilla instead of Rs. 770 as before and at Rs. 850 for Vijay in place of Rs. 920, the rate of deposits at these levels being Rs. 25 per bale (of 392 lbs.). On April 17, 1957, due to steep rise in cotton price, the Forward Markets Commission intervened and suspended trading. Though trading was resumed on the next day, the existing rates of margins were doubled and new ceilings for Jarilla May and Vijay June were fixed at Rs. 754 and Rs. 878 per candy, respectively. On April 24, 1957, the Forward Markets Commission raised further the rates of margin deposits in respect of Jarilla May to a flat rate of Rs. 200 per bale, as compared to a maximum of Rs. 100 per bale. On May 20, 1957, the margin deposit on Vijay June was also enhanced to Rs. 200 per bale with effect from June 1, 1957, if the price of that contract ruled above Rs. 824 per candy. In the case of groundnuts and castor seeds, in January 1957, a stiffer margin of Rs. 15 per candy on the net outstanding position of forward purchases was levied if the ruling price was above Rs. 165 per candy*. Till then the margin had varied from Re. 1 to Rs. 4 for different slabs, the first 7,500 candies being exempted. In some cases, in order to improve the domestic supply situation exports have been restricted and imports liberalised, e.g. lowering of raw cotton export quota, and raising of export duty on Bengal deshi cotton, though it should be recognised that price stability through such measures is dearly bought at the expense of balance of payments stability.

At the same time, considerable attention has been devoted to securing an abatement of the pressure of excess demand in the economy, through fiscal and monetary policies. During the last one year various tax measures have been undertaken and these will help the containment of demand, both consumption and investment. Action was also taken on the monetary front through selective credit controls as well as raising of the interest rate structure. These various measures on the fiscal and monetary fronts have been explained in detail elsewhere in this Report. The fact that commodity prices did have periods of stability during the year, especially during the first three or four months of 1957 would seem to indicate that the action by Government and the monetary authority has met with partial success, though this has mainly been in the direction of restraining a rise rather than producing a fall in prices. As mentioned earlier, in May 1957 there was again a rather sharp rise in prices and no effort can, therefore, be spared to hold the price line in the first instance and

* Since June 21, 1957, the higher rate of margin deposits has been removed.

then bring it down, through the two-fold programme of increase in supplies, especially supplies of domestically produced foodgrains, and restraint of excessive demand.

Consumer Price Index (Working Class)—The uptrend in cost of living (working class) which was noticed from June 1955 continued further during the greater part of 1957, following the rise in commodity prices. The All-India Consumer Price Index Number of Working Classes (Base: 1949=100) which had risen from 92 in May 1955 to 100 in March 1956, moved up further to 110 in November 1956. By January it declined to 107 at which level it remained during the remaining two months of the year. Over the year it recorded a net rise of 7 per cent which was somewhat higher than that during the preceding year. The annual average of 107 for the year was 11 per cent higher than the average for 1955-56. The rise was principally due to the rise in prices of foodgrains. The consumer price indices recorded increases at all important centres, but the magnitude of rise varied considerably. Thus while the rise was marked at Sholapur, Ahmedabad, Bangalore, Kanpur and Delhi (over 10 per cent), in Calcutta and Madras (city) the rise was relatively moderate (7-8 per cent), while it was rather small in Bombay City (about 2 per cent). The different rates of rise can be explained partly by the differences in the consumption pattern of the population in the different parts of the country and the consequent differences at different centres in the weightage assigned to commodities in the food cost indices. The relatively smaller rise in the cost of living in Bombay City, as compared to other industrial cities like Sholapur, Ahmedabad and Kanpur may also be due to the fact that prices and hence costs of living in Bombay City had been already on a high level, roughly since 1953. The predominance of industrial workers in some cities like Sholapur and Kanpur and the consequent concentration of demand on a few articles of consumption also appears to be responsible for fairly wide disparities in the movements of the cost of living indices. Among the various groups, fluctuations were the widest in the food group and in this the extent of rise depended on the rise in the price of the principal cereal consumed.

IV. MONETARY AND BANKING TRENDS

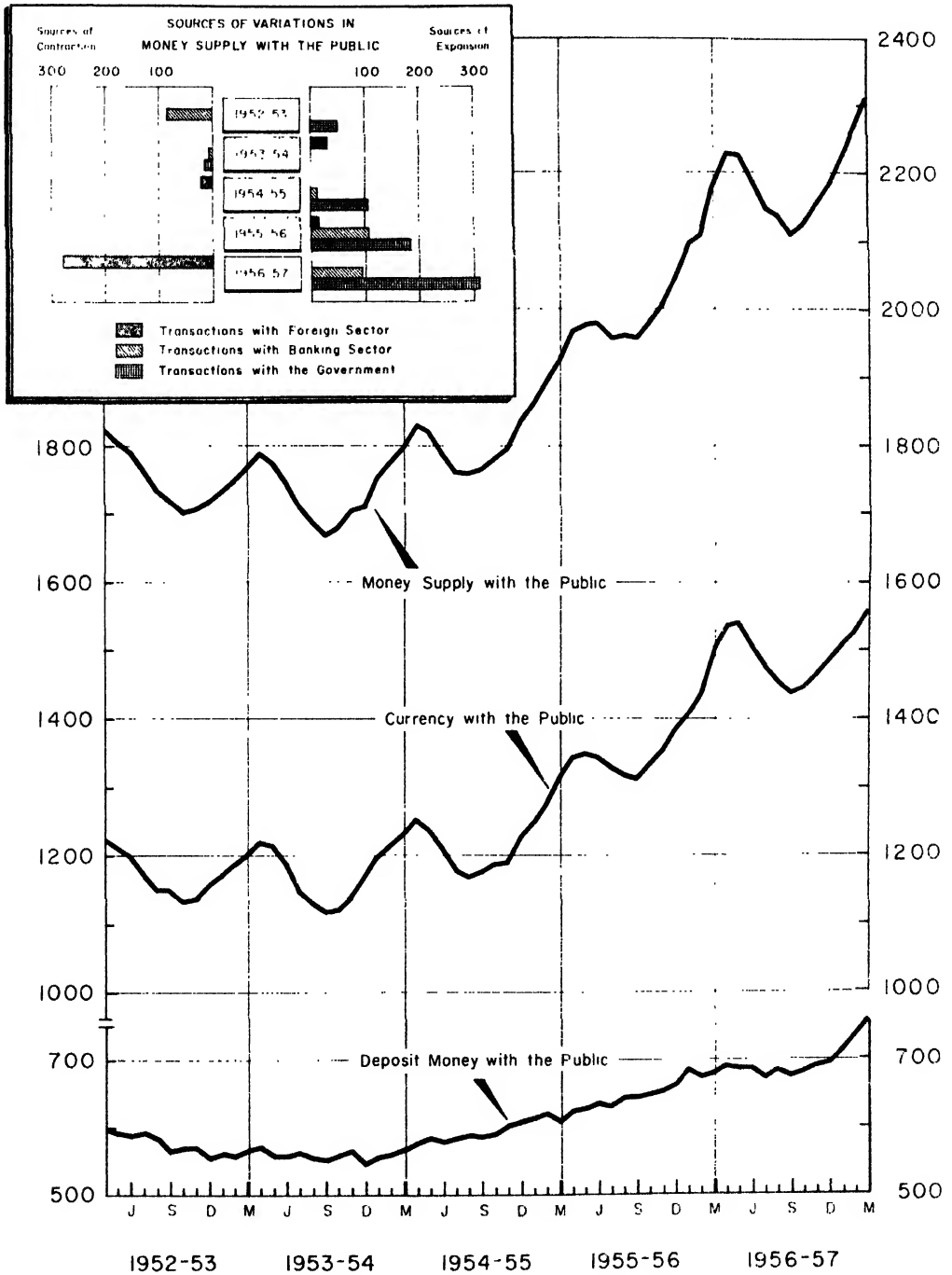
General.—Monetary and banking trends in 1956-57 reflected the outstanding developments in the economy during the year, namely, increased investment outlay in the public and private sectors, budgetary deficit on Government account, rising trend of prices and the heavy deficit in balance of payments. The money market was characterised by acute stringency, notwithstanding sizeable increases in the supply of money and bank credit. Money rates continued to harden. The Indian capital market, too, reflected its impact. Financial stringency is basically to be explained by the accelerated tempo of investment activity. It is a common characteristic of a phase of economic boom, with investment tending to outrun savings. In these circumstances, monetary and credit policy during the year was attuned to the objective of controlled expansion. While facilities for borrowing from the Reserve Bank were liberalised, the cost of such credit was raised somewhat, largely in keeping with the trend of higher rates in the economy and also with a view to discouraging excess borrowing. Restraint on credit expansion was also exercised through the use of selective credit controls, particularly in the field of credit for the purpose of trading in foodgrains.

The magnitude of expansion of money supply with the public in 1956-57 was substantially smaller than in 1955-56, Rs. 129 crores against Rs. 264 crores, owing mainly to the contractionist effect of a heavy deficit in balance of payments which neutralised substantially the impact of a larger budgetary deficit. The expansion of scheduled bank credit during the year under review was, however, of the same magnitude as in 1955-56, and if inter-bank lending is excluded the expansion in 1956-57 would appear to have been about Rs. 27 crores larger. The deposit resources of banks showed a much larger rise than in 1955-56; it was, however, less than the rise in the volume of credit expansion. During the year, banks repatriated funds to London, whereas in the previous year there had been substantial net borrowings from that centre. In the result, net borrowings from the Reserve Bank recorded a somewhat larger increase than in 1955-56, and in addition, scheduled banks reduced their gilt-edged portfolio whereas in the previous year they had augmented it.

As regards the seasonal pattern, while in the case of money supply there was a substantial contraction during the 1956 slack season (May-October), there was no contraction and even a slight rise in bank credit. In the busy season of 1956-57 (November 1956-April 1957) the rise in money supply was only slightly smaller than the expansion in the 1955-56 busy season. Likewise, the expansion of scheduled bank credit was somewhat less than the rise in the previous busy season. However, the 1956-57 busy season was characterised by a considerable rise in deposits which accounted for 38.1 per cent of the increase in money supply during the period as against only 16.7 per cent during the previous busy season. Scheduled

GRAPH 7

MONEY SUPPLY WITH THE PUBLIC (CRORES OF RUPEES)



banks' borrowings from the Reserve Bank which had continued to remain at a high level in the slack season recorded a further rise. The rising demand for credit, super-imposed on a very high level of outstanding credit, led to a liquidity squeeze with consequent scramble for funds in the money market. The advances-deposits ratio recorded a further significant rise during the year.

Money Supply.—In 1956-57, money supply with the public increased by Rs. 129 crores or 5.9 per cent, as compared to Rs. 264 crores or 13.7 per cent in 1955-56 and Rs. 127 crores or 7.1 per cent in 1954-55 (see Table below). The slower rate of growth in money supply during 1956-57 resulted not from any slowing down of the tempo of development—which in fact showed a rise—but from increased investment expenditure abroad on imports, which tended to reduce internal money supply.

Money Supply with the Public

(Crores of Rupees)

	Variations during each of the years					Variations during 1951-52 to 1955-56	Variations during 1956-57	Outstanding as at the end of March 1957	Percentage variation during 1956-57
	1951-52	1952-53	1953-54	1954-55	1955-56				
1. Currency	-115	- 17	+ 30	+ 82	+193	+174	+ 51	1,557	+ 3.4
2. Deposit Money ..	- 60	- 22	- 1	+ 44	+ 70	+ 32	+ 77	756	+11.4
3. Money Supply with the Public	-175	- 39	+ 29	+127	+264	+ 206	+129	2,313	+ 5.9

Seasonally, there was a contraction of Rs. 105 crores in money supply in the 1956 slack season (May-October) in contrast to a small unseasonal rise in the 1955 slack season; but the contraction was less than half of the preceding busy season expansion. In the 1956-57 busy season (November 1956-April 1957) the expansion was roughly equal to that in the 1955-56 busy season. A noteworthy feature of money supply trends in the year under review was the smaller rise in currency with the public (Rs. 51 crores) as compared to the rise in deposit money (Rs. 77 crores). This was in striking contrast to the trends in the preceding three years, during which the share of currency with the public in the total expansion of money supply was substantially larger; it was 65.0 per cent in 1954-55 and 73.3 per cent in 1955-56. The comparatively larger rise in deposit money in 1956-57 was partly associated with the accrual to the banking system of the proceeds of sale of agricultural commodities imported in terms of the Indo-U.S. Agreement under P.L. 480.

The major factor contributing to the expansion in money supply during 1956-57 continued to be the same as in the preceding two years, namely, increased investment outlay, both in the public and private sectors, which in the aggregate was larger than in 1955-56. However, as there was a substantial deficit in balance of payments, representing investment expenditure incurred abroad, the net effect on money supply with the public was much less expansionist than in the previous year. For purposes of analysis of money supply with the public, the transactions of the public may be grouped under three broad categories, namely, (i) transactions with the foreign sector, as indicated roughly by the net change in the foreign assets held by the Reserve Bank*, (ii) transactions with the banking sector, as represented by the credit extension of banks to the public, adjusted for changes in time liabilities of banks and (iii) transactions with the Government, adjusted for bank credit to Government, which broadly measures budgetary deficit or surplus. Bank credit to Government includes not only extension of Reserve Bank credit to Government (which takes the form of the purchase by the Bank of Government securities, mostly *ad hoc* Treasury bills and grant of loans and advances to State Governments) but also investments by banks in Government securities. Among these three factors, reflecting mainly the stepping up of development expenditure in the public sector, Government's budgetary deficit provided the largest single factor accounting for the expansion in money supply this year as in the preceding two years. In 1956-57, Government's budgetary deficit, as defined under (iii) above, totalled Rs. 309 crores as compared to Rs. 184 crores in 1955-56. It was also larger than the aggregate budgetary deficit for the First Plan period as a whole (Rs. 249 crores). Credit extension by banks to the private sector (Rs. 152 crores) was only slightly larger than in the previous year (Rs. 148 crores), but if adjustment is made for the net rise in time liabilities of banks, which was larger in 1956-57 (Rs. 63 crores) than in 1955-56 (Rs. 43 crores), the increase in the net indebtedness of the private sector to the banking system was smaller (Rs. 90 crores) relatively to that in the preceding year (Rs. 105 crores). The expansion in money supply resulting from the above two sources was, however, counteracted, to a significant extent, by the balance of payments deficit, which persisted throughout the year; the loss of foreign exchange reserves as measured by the decline in foreign assets held by the Reserve Bank, without taking credit for net dollar purchases from the I.M.F. (Rs. 55 crores), amounted to Rs. 274 crores, which contrasted with an increase in the reserves of Rs. 23 crores† during 1955-56.

As regards seasonal trends‡, money supply with the public declined sharply by Rs. 105 crores in the 1956 *slack* season (May-October) following a substantial

* The net change in foreign assets reflects not only the transactions of the public with the foreign sector but also those of the Government. However, it is difficult to isolate the effects of these two sets of transactions. In the analysis presented below, therefore, the contractionist influence of the balance of payments deficit as well as the expansionist effect of Government's net disbursements could be said to have been equally overstated.

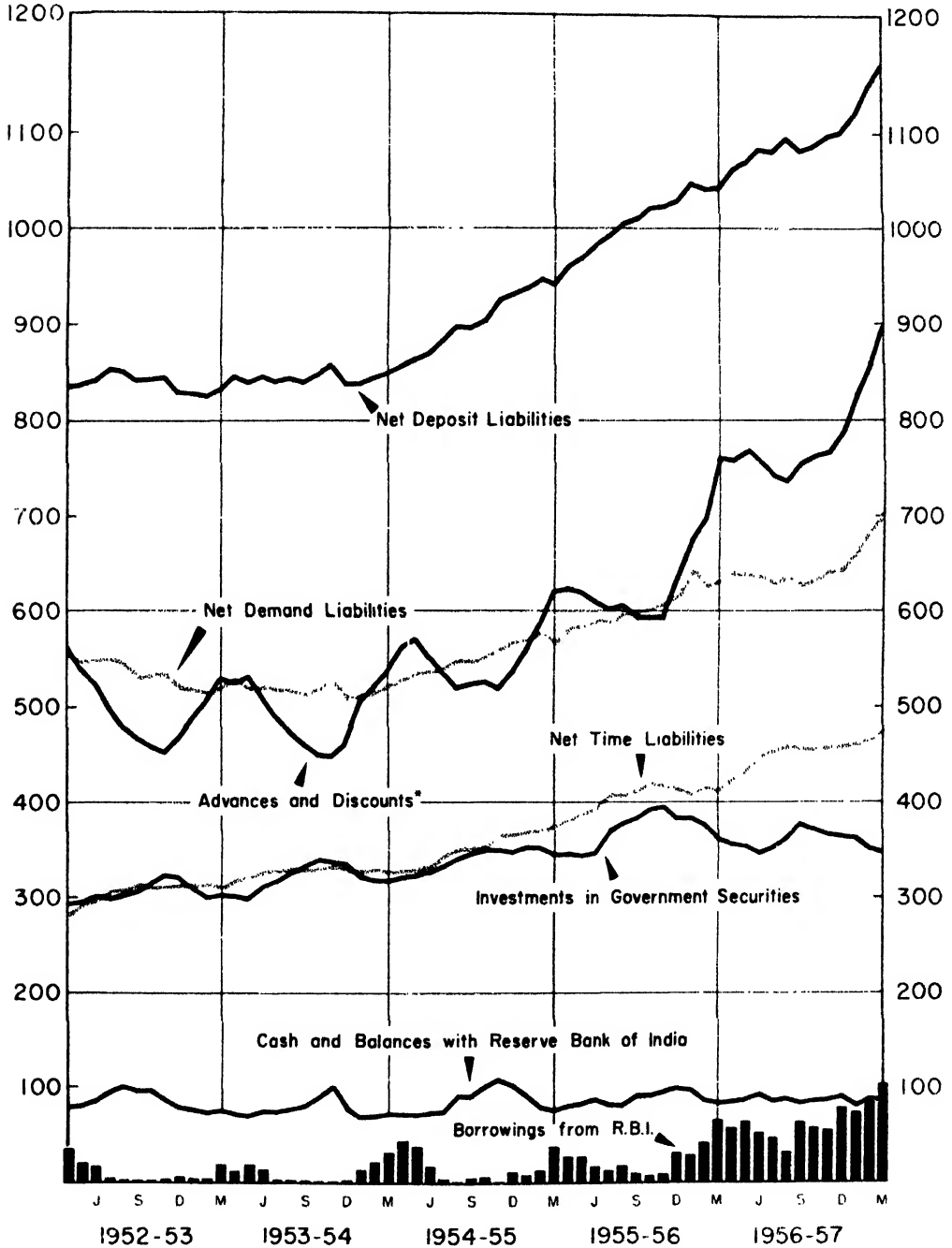
† After allowing for the repurchase of rupees (Rs. 7.1 crores) from the I.M.F.

‡ For purposes of seasonal analysis, uniformly the six-month period from November-April has been taken as the busy season, and that from May to October as the slack season.

GRAPH 8

TRENDS IN SELECTED ITEMS OF LIABILITIES AND ASSETS OF SCHEDULED BANKS

Crores of Rupees



* include foreign bills purchased and discounted from May 14, 1954

expansion of Rs. 250 crores in the previous busy season; this was in contrast to a small *expansion* of Rs. 10 crores in the 1955 slack season. This decline has, however, to be viewed in the context of the large balance of payments deficit that emerged since April 1956. In the previous slack season, the effect of the balance of payments position on money supply was, by and large, neutral. It would appear that, but for the payments deficit, the 1956 slack season, like the previous one, would also have recorded a small expansion. An indication of the sustained level of economic activity in the past slack season was the *rise* of Rs. 12 crores in commercial bank credit to the private sector, as against a *decline* of Rs. 27 crores in the 1955 slack season.

In the 1956-57 *busy* season (November 1956-April 1957), money supply with the public expanded at a rapid rate, as in the preceding busy season, the expansion this year (Rs. 244 crores) being only slightly smaller than in the last busy season (Rs. 250 crores). This expansion occurred in spite of the continuing external deficit and indicated the high rate of budgetary deficit; as measured by the decline in foreign assets held by the Reserve Bank, net of dollar purchases from the I.M.F., the balance of payments deficit amounted to Rs. 138 crores, in contrast to a surplus of Rs. 19 crores in the previous busy season. Governmental transactions resulted in expansion in money supply of Rs. 270 crores, which was much larger than in the preceding busy season (Rs. 107 crores). Credit expansion by banks was somewhat smaller (Rs. 155 crores) than in the 1955-56 busy season (Rs. 169 crores).

Money Market Trends.—During 1956-57, *scheduled* bank credit recorded an expansion of Rs. 139 crores which was identical with the expansion in 1955-56, the rate of increase amounting to 18.2 per cent as against 22.2 per cent in the previous year. However, as already mentioned, if inter-bank lending, which is now mixed up in the data as at present supplied, is excluded, it would appear that the expansion of credit in 1956-57 was larger by about Rs. 27 crores. The rise in deposit liabilities at Rs. 132 crores was Rs. 31 crores larger than the rise in the preceding year. It should, however, be pointed out that this rise was largely accounted for by counterpart funds in respect of imports of commodities from the United States under P.L. 480. Of the rise, net demand liabilities accounted for Rs. 73 crores and formed a smaller share of the rise in deposits as compared to 1955-56. It will be noticed that the rise in deposits in 1956-57, while it was larger than in 1955-56, was smaller than the rise in bank credit, with the result that the advances-deposits ratio recorded a further rise over the year from 73.0 per cent to 76.6 per cent. Further, while in 1955-56 the scheduled banks brought in funds from abroad to the extent of Rs. 13 crores, they repatriated Rs. 15 crores in 1956-57. Consequently the borrowings of the scheduled banks from the Reserve Bank, during the year as a whole, recorded a larger net increase of Rs. 38 crores as compared to Rs. 28 crores in 1955-56; at the end of March 1957 *outstanding* borrowings from the Reserve Bank reached the peak of Rs. 103.2 crores. This was accompanied by a net reduction by Rs. 8 crores in the borrowings of other scheduled

banks from the State Bank; in 1955-56 such borrowings had increased by Rs. 12 crores. In addition, the scheduled banks parted with Government securities to the extent of Rs. 13 crores whereas they had increased their portfolio by Rs. 16 crores in 1955-56. These changes in the scheduled banks' assets and liabilities are set out in the table below.

Net Variations in Principal Items of Assets and Liabilities of Scheduled Banks

(Crores of Rupees) |

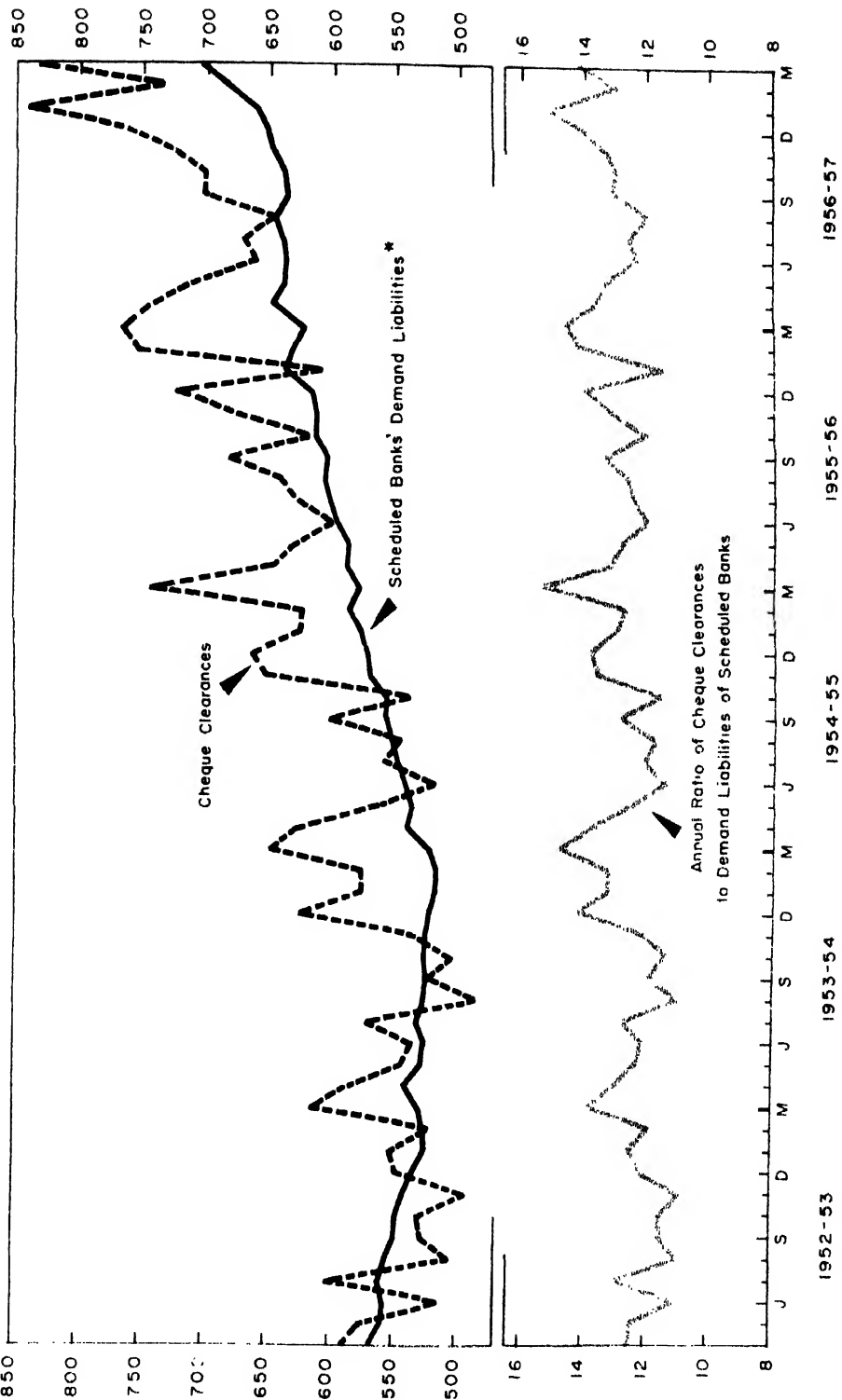
	Financial Year	Slack season	Busy season	Slack season	Busy season	Out-standing
	1955-56	1956-57	of 1955	of 1955-56	of 1956	as on April 26, 1957
1. Bank credit	+138.4	+138.8	— 31.6	+164.5	+ 3.7	+148.5
2. Total Deposit Liabilities (net) ..	+100.6	+132.2	+ 58.8	+ 42.0	+ 24.5	+133.1
3. Borrowings from R.B.I. ..	+ 28.0	+ 38.1	— 21.4	+ 50.4	+ 1.9	+ 14.9
4. Borrowings from the State Bank	+ 11.6	— 8.1	+ 0.5	+ 3.8	+ 3.0	— 4.3
5. Investments in Government Securities	+ 15.8	— 12.7	+ 47.7	— 36.9	+ 16.1	— 27.0
6. Cash reserves	+ 6.9	+ 3.5	+ 12.4	— 6.7	+ 1.0	+ 16.0
7. Borrowing from (+) or repatriation to (—) London ..	+ 13.2	— 14.8	— 10.4	+ 18.4	— 6.8	— 4.1
						3.7*

Note.—The slack season is from May to October and the busy season is from November to April.

* Debit balance.

Turning to seasonal trends, in the *slack* season of 1956, scheduled bank credit remained generally high; in fact, over the slack season as a whole there was a small rise of Rs. 4 crores. There was a decline of a little over Rs. 30 crores between the end of May and end of August, but in the first week of September there was a sharp rise of Rs. 28 crores, mainly to finance subscriptions to State Government loans. In the subsequent weeks of the slack season, there was only a very small decline. Seasonal fluctuations, however, did occur in advances against agricultural commodities but as against this credit against other securities, mainly manufactured goods increased, reflecting the increasing diversification of the economy. Thus, during the period May-October 1956, advances against foodgrains declined by Rs. 22.8 crores and those against industrial raw materials by Rs. 40.6 crores. Advances against other securities and clean advances of banks, on the other hand, rose by Rs. 67.1 crores. Advances against iron, steel and engineering products and cotton textiles in particular, showed large increases of Rs. 27.5 crores and Rs. 16.4 crores, respectively, during the same period. Corresponding to the slight contra-seasonal increase in bank credit, scheduled banks' outstanding borrowings from the Reserve Bank also recorded a rise of about Rs. 2 crores to Rs. 57.8 crores; in the 1955 slack season there had been a repayment of Rs. 21 crores. The increase in deposit resources of Rs. 25 crores was much smaller than the increase in the previous slack season.

Crores of Rupees



* Including inter-bank borrowings.

In the *busy* season of 1956-57 scheduled bank credit recorded a rise of Rs. 149 crores which was Rs. 16 crores less than the rise in the previous year, but as mentioned earlier, this occurred against the background of a slight *rise* even in the preceding slack season. Apart from this over-extended position of banks, it is also likely that the credit restraint measures which the Reserve Bank adopted, namely, raising of the lending rate and directives to restrain advances against foodgrains and cloth also induced an element of caution among banks and possibly the borrowing public. On the other hand, deposit resources showed a substantial rise of Rs. 133 crores as compared to Rs. 42 crores in the 1955-56 busy season. As already mentioned, a substantial part of this is accounted for by counterpart funds in respect of imports from the United States under P.L. 480. Because of the improved resources position, the sale of securities (Rs. 27 crores) and borrowings from the Reserve Bank (Rs. 15 crores) were smaller than in the previous busy season. Scheduled banks had increased their indebtedness to the Reserve Bank in the 1955-56 busy season by Rs. 50 crores. Further, the scheduled banks were able to add to their cash by Rs. 16 crores, thus raising their cash ratio to 8.5 per cent at the end of the busy season as compared to 8 per cent at the beginning.

Reflecting the continued stringency in the money market, money rates ruled high during the year under review. The call money rate in Bombay, for instance, rose from 3 to $3\frac{3}{4}$ per cent at the beginning of the year to $3\frac{1}{2}$ to $3\frac{3}{4}$ percent at the end of the year. The rates for three and six-month deposits hardened from $3\frac{3}{8}$ — $3\frac{1}{2}$ per cent in March 1956 to $4\frac{1}{8}$ — $4\frac{1}{2}$ per cent in March 1957. The rate for twelve-month deposits also increased to 4 per cent from $2\frac{3}{4}$ — $3\frac{1}{4}$ per cent. During the year, a number of banks also raised interest rates on savings deposits. Till the end of 1955 the rate had been generally in the range of 1— $1\frac{1}{2}$ per cent; but by December 1956 interest at $1\frac{1}{2}$ per cent was the general rate with some banks offering higher interest at 2 per cent. The increase in the deposit rates of banks was associated with a rise in their lending rates during the year.

Credit Policy.—Monetary and credit policy during the year was governed by the twin considerations of assisting a growing economy and restraining inflationary pressures. A rapidly developing economy like ours would require continuous increase in money supply and bank credit. In view of the fact, however, that there already exists in the economy excess demand, which has been reflected in the sharp and continuous rise in commodity prices since early June 1955, with a noticeable increase in speculative and hoarding tendencies and also in a heavy deficit in balance of payments, the need for restraining monetary expansion has been paramount. Therefore, as already mentioned, the Reserve Bank's policy was one of controlled expansion. For this purpose the Bank made use of general as well as selective instruments of credit control. As regards the former, the Reserve Bank's lending rate under the Bill Market Scheme, which had earlier been put up from 3 to $3\frac{1}{4}$ per cent effective March 1, 1956, was further raised to $3\frac{1}{2}$ per cent effective November 21, 1956. On the other

hand, some relaxation was made in the Bank's policy of open market operations; it may be recalled that since mid-November 1951, along with the raising of Bank rate, the Reserve Bank had announced that it would not, save in exceptional circumstances, buy government securities to meet the seasonal requirements of banks. This policy was relaxed and from the beginning of November 1956 the Bank started making discriminating purchases of securities. Also, the facilities under the Bill Market Scheme were somewhat liberalised. The effective borrowing rate of scheduled banks against *usance* bills was, however, further increased by $\frac{1}{2}$ per cent with effect from February 1, as a result of Government's raising the stamp duty on *usance* bills, announced by the Finance Minister in his supplementary budget of November 1956. Simultaneously, the Bank also increased its lending rate on advances against government securities from $3\frac{1}{2}$ to 4 per cent. Further, with effect from May 16, 1957 Bank rate itself was raised from $3\frac{1}{2}$ to 4 per cent; simultaneously the Government announced the lowering of the stamp duty on *usance* bills to one-fifth of 1 per cent, with the result that the effective borrowing rate of scheduled banks against *usance* bills has been $4\frac{1}{5}$ per cent* from that date.

The Reserve Bank also made use of selective credit control, for the first time, through directives under the powers conferred by the Banking Companies Act. While the bulk of the demand for bank credit was no doubt for meeting the growing needs of trade and industry, credit extended against certain commodities, especially foodgrains and cotton textiles (including yarn), appeared unduly large. Further, there were general indications that in certain centres bank accommodation was being partly utilised for speculative hoarding of paddy and rice. The Reserve Bank, therefore, issued a directive on May 17, 1956 to banks† to refrain from excessive lending against commodities in general and not to grant fresh advances or credit limits to individual parties in excess of Rs. 50,000 against paddy and rice and to raise the existing margins in respect of loans against paddy and rice by 10 per cent. They were also requested to endeavour to bring down the level of advances against this commodity to a level not more than 125 per cent of that in the corresponding period of the previous year. Advances against documentary bills were, however, exempt from the purview of the directive so as not to interfere with the internal movement of the crop. Partly as a result of this directive and partly due to seasonal depletion of stocks with wholesalers, advances against paddy and rice declined considerably from Rs. 26 crores on April 27, 1956 to Rs. 4 crores on October 26, 1956. In view of this decline and in order not to hamper the movement of the new crop, restrictions on paddy and rice advances were withdrawn on November 14, 1956. This was quickly followed, however, by a sharp increase in advances to over Rs. 21 crores by February

* Inasmuch as banks have to maintain a larger portfolio of eligible bills than what are presented to the Reserve Bank, and some bills might be retired earlier than the three-month period, the effective incidence of the stamp duty works out to be somewhat higher than $1/5$ per cent.

† Covering all scheduled banks and two State-associated non-scheduled banks.

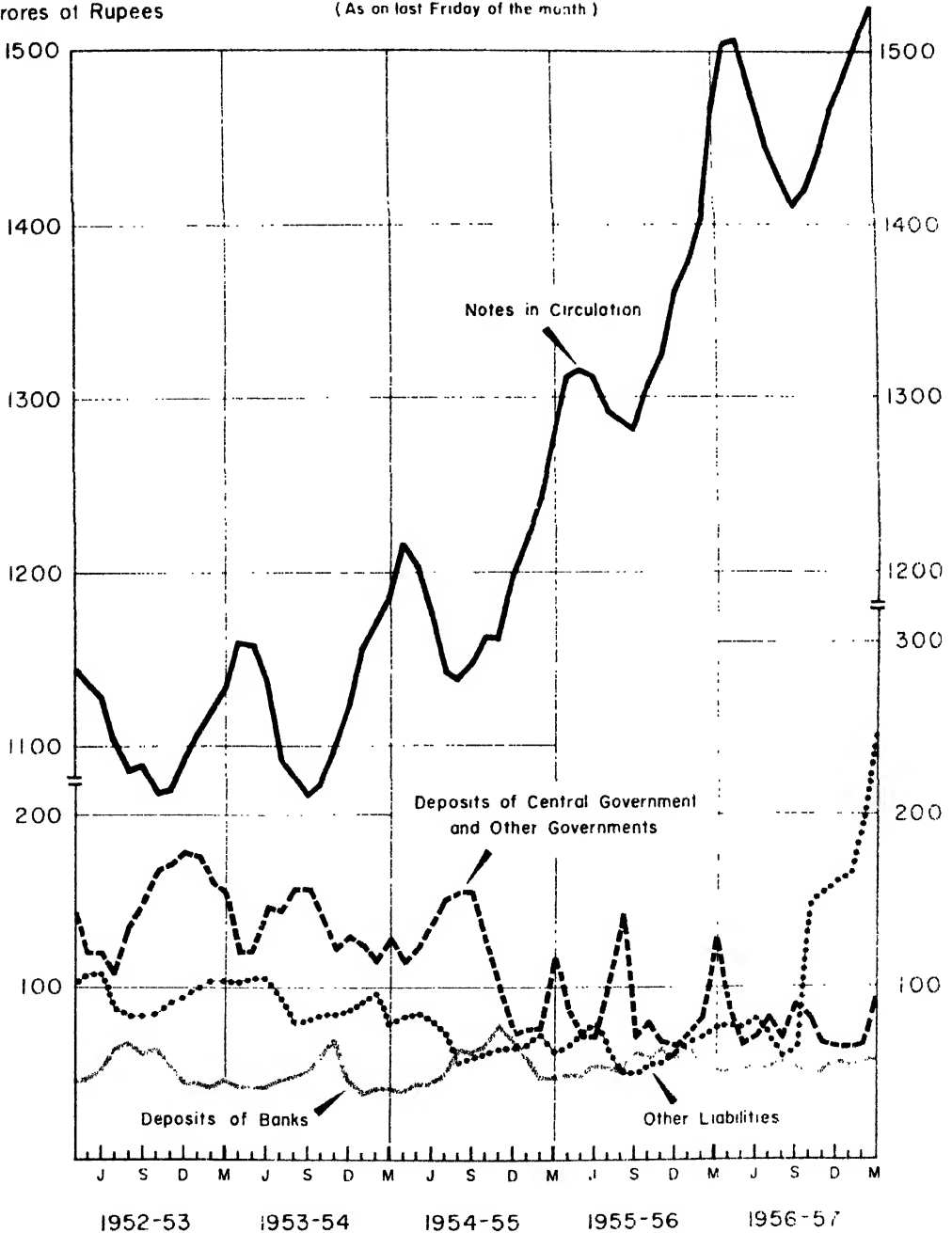
GRAPH 10

LIABILITIES OF THE RESERVE BANK OF INDIA

Issue and Banking Departments Combined

Crores of Rupees

(As on last Friday of the month)



Note: The sharp rise in 'Other Liabilities' in October 1956 is due to the establishment of a special reserve fund as a counterpart to the higher valuation of gold holdings of the Reserve Bank of India.

8, 1957 and it was feared that, at that rate of expansion, the level of advances would exceed the previous year's high level. Restrictions on paddy and rice advances were, therefore, reimposed on February 9 with some modifications. Since then the expansion in paddy and rice advances slowed down and on May 31, 1957, they stood at Rs. 21.5 crores.

The selective credit control was extended on September 13, 1956 to cover bank advances against wheat, other coarse grains, gram and pulses and cotton textiles including yarn. Banks were directed not to grant fresh advances or increase any existing credit limit against wheat, gram and other cereals and pulses exceeding Rs. 50,000 where the existing limits were for less than that amount against any or all of these food items taken together. The banks were also directed to raise their margins on existing credit limits and advances against these commodities by 10 per cent over the prevailing level. Further, they were requested to endeavour to reduce by the end of October 1956 their advances to a level not substantially higher than that in the corresponding period of last year. Following the issue of the directive, advances against wheat, gram, other grains and pulses declined almost continuously and amounted to Rs. 7 crores on March 29, 1957 as against Rs. 8 crores in March 1956.

Again, in view of the rising trend of bank credit against foodgrains, the Reserve Bank issued on June 7, 1957 a fresh directive to all scheduled banks (and three State-associated non-scheduled banks) to bring down substantially their present advances against food grains. The directive was as under: (1) in respect of each credit limit and advance against the security of food grains, the existing margin should be increased by an amount not less than 5 per cent so as to provide a margin of not less than 40 per cent, and that in respect of each credit limit and advance granted hereafter a margin of not less than 40 per cent of the value of the food grains should be maintained; (2) banks should so maintain an aggregate level of credit against food grains that by July 12, and in every week thereafter, the level will be in respect of paddy and rice not more than $66\frac{2}{3}$ per cent and in regard to other food grains not more than 75 per cent of the level obtaining in the corresponding week in 1956; and (3) banks should not sanction any fresh credit limit to any party in excess of Rs. 50,000 against paddy and rice and Rs. 50,000 against other food grains, nor permit any existing limits for amounts below Rs. 50,000 against such securities to be increased beyond this figure.

In view of a sharp increase in advances against cotton textiles to Rs. 63.8 crores in August 1956 another directive was issued to banks on September 13, 1956, similar to that for wheat, gram etc. This directive, however, did not apply to advances made to cotton textile mills, against cotton textiles meant for export or by way of

purchase of demand documentary bills drawn in connection with the internal movement of goods. As advances to the trade against cotton textiles showed a declining tendency, the directive was withdrawn on February 1, 1957.

The selective credit control measures adopted during the year were intended specifically to achieve a reduction in excessive advances against certain commodities through increased margins and were different from the general directives issued during the immediate post-war period. In this limited sphere, namely, reducing the pressure of demand originating from bank credit, the controls on food grains were, by and large, successful as evidenced by a rapid reduction in the credit outstanding during the period of operation of the controls. It is, of course, difficult to assess precisely the effect of these selective controls on prices since the level of prices is determined by several complex factors such as overall supply and demand, local shortages or surpluses, availability of transport etc. However, the directives have probably restrained the uptrend in prices.

Other Banking Developments.—Other important developments affecting banking were (a) amendments to the Reserve Bank of India Act in July 1956, regarding currency reserves as well as statutory reserves of scheduled banks, (b) amendments to the Banking Companies Act which became effective from January 14, 1957, and (c) raising of the stamp duty on bills of exchange.

The Reserve Bank of India (Amendment) Act, 1956, sought to adapt the financial framework to the requirements of economic development under the Second Five Year Plan. It provided for the needed flexibility in note issue, while maintaining a specified quantity of reserve in gold and foreign securities. On the other hand, it simultaneously endowed the Reserve Bank with greater powers to restrain the creation of credit by the commercial banks. Before the amendment, Section 33(2) of the Reserve Bank of India Act required that not less than two-fifths of the assets of the Issue Department should be held in gold coin, gold bullion or foreign securities, the value of gold coin and bullion being not less than Rs. 40 crores; gold was valued at Rs. 21.24 per tola*. In view of the restrictive nature of this provision in the context of the Plan requirements, the Amendment Act changed the proportional reserve system to that of a fixed minimum and prescribed a minimum holding of foreign securities of Rs. 400 crores and of gold coin and bullion of Rs. 115 crores, gold being revalued at Rs. 62.50 per tola, according to the parity rate agreed to by the International Monetary Fund. The Amendment Act also provided for the suspension of the provisions relating to the minimum holdings of foreign securities upto a maximum of Rs. 100 crores with the prior approval of the Central Government for a period of six months which could be extended from time to time but not exceeding three months at a time.

The most important amendment in respect of credit control was the power given to the Reserve Bank to vary the reserve requirements of banks. Prior to the amendment,

* 8 tolas = 3 ounces.

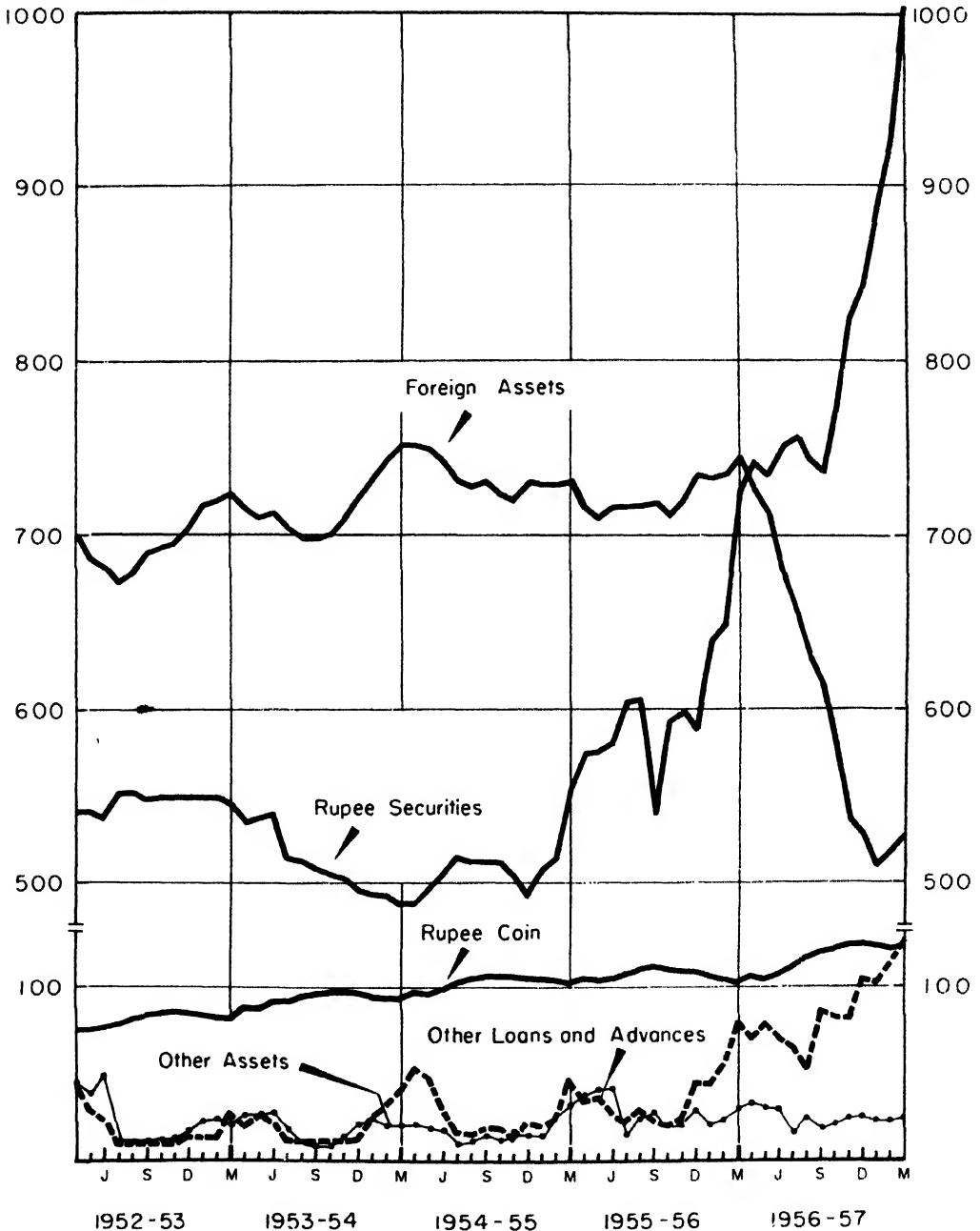
GRAPH 11

ASSETS OF THE RESERVE BANK OF INDIA

Issue and Banking Departments Combined

(As on last Friday of the month)

Crores of Rupees



Note — Gold holdings of the Bank remained unchanged in quantity at 7.1 million ozs and were valued at Rs 40 crores upto October 5, 1956 and at Rs 117.8 crores thereafter, following their revaluation at the par value agreed to with the I.M.F.

scheduled banks were required to keep minimum reserves with the Reserve Bank at fixed ratios, namely, 2 per cent against time liabilities and 5 per cent against demand liabilities. The amending Act enables the Bank to vary the ratio from 2 per cent to 8 per cent in respect of time liabilities and from 5 per cent to 20 per cent in regard to demand liabilities. The Bank is also empowered to require scheduled banks to maintain with it additional cash reserves, computed with reference to the *additions* to deposit liabilities accruing from any specified date, at a rate not exceeding 100 per cent of the addition, subject to the overall limit of 20 per cent of demand and 8 per cent of time liabilities. The Bank has not so far exercised its power to vary the reserve ratios. Provision has also been made to enable the Reserve Bank to pay, at its discretion, interest at such rate or rates as may be determined by it from time to time, on the amount by which the minimum reserves required are in excess of 5 per cent of demand liabilities and 2 per cent of time liabilities, payment of such interest being, however, conditional on the scheduled bank maintaining the minimum balance required of it.

The Finance (No. 2) Act, 1956, increased the stamp duty on bills of exchange from a flat rate of 2 annas (12 naye paise) per Rs. 1,000 irrespective of the period of maturity upto one year to a maximum rate of Rs. 10 per thousand per annum with proportionate reductions for shorter maturity. When the Act came into force on February 1, 1957, Government notified half the maximum rates provided for in the Act. This, as stated earlier, resulted in raising the effective rate of interest on borrowings by banks against bills by about $\frac{1}{2}$ per cent. The Finance Minister described this raising as 'a fiscal measure with a monetary intent'. With the raising of Bank rate to 4 per cent effective May 16, 1957, the stamp duty was lowered to $\frac{1}{5}$ per cent per annum.

The Banking Companies (Amendment) Act, 1956, which came into force with effect from January 14, 1957, seeks to prevent certain undesirable tendencies which may affect the administration of the banking companies, or are not in public interest and vests in the Bank wider powers of control and supervision. According to the principal Act, banks incorporated prior to January 15, 1937 were exempted from the restrictive provisions of Section 12 in respect of voting rights. The new amendment withdrew these exemptions. Section 16 of the Banking Companies Act prohibited inter-locking of directorates between banking companies. The amending Act has made this provision still more restrictive and stipulates that no banking company should have a director who is also a director of companies which among themselves are entitled to exercise voting rights in excess of 20 per cent of the total voting rights of all the shareholders. The amending Act also empowers the Bank to approve of the appointment or reappointment of managing directors as well as managers or chief executive officers of banks, to regulate the terms of appointment of these officials, to appoint observers on the boards of directors of banks to report on the conduct

of their affairs and to issue directives to banks in regard to matters of policy or administration in the national interest or in the interests of the institutions themselves. The chief executives of banks have been made 'public servants' for the purpose of Chapter IX of the Indian Penal Code by addition of a new sub-section to the Act.

Co-operative Credit.—The financial accommodation provided by the Reserve Bank of India to State co-operative banks has continued to show a rising trend. As regards *short-term* accommodation, total limits sanctioned to 18 State co-operative banks amounted to Rs. 33.94 crores during 1956-57 as against Rs. 28.79 crores sanctioned to 17 banks during 1955-56. The gross amount drawn by them rose from Rs. 22.95 crores to Rs. 31.92 crores during the period. At the end of March 1957 outstanding borrowings of the State co-operative banks from the Reserve Bank stood at Rs. 20.58 crores as compared to Rs. 12.34 crores and Rs. 9.14 crores at the end of March 1956 and March 1955, respectively.

In the field of *medium-term* finance, while the amount sanctioned to 7 State co-operative banks was Rs. 157.00 lakhs during 1956-57 as against Rs. 99.67 lakhs sanctioned to 8 State co-operative banks during the previous year, the total gross amount drawn increased from Rs. 41.34 lakhs during the last financial year to Rs. 122.21 lakhs this year. As regards *long-term* finance, the scheme of joint contribution towards debentures of Central Land Mortgage Banks by the Reserve Bank of India and the Government of India came to an end at the close of the year 1955-56, as no provision for this was made by the Government under the Second Five Year Plan. However, the contribution of the Reserve Bank of India upto 20 per cent or the unsubscribed portion of debentures, whichever is less, continued to be available.

By virtue of the amendments to the Reserve Bank of India Act in 1956 the Bank can now assist State co-operative banks in financing the purchase by cultivators of shares in co-operative concerns connected with marketing and processing of agricultural produce. Accordingly, the Bank has decided to give advances to State co-operative banks to enable them to finance agriculturists to purchase shares of co-operative sugar factories.

In the last year's Report, a reference was made to the setting up of the National Agricultural Credit (Long-term Operations) Fund with an initial contribution of Rs. 10 crores, in accordance with the recommendations of the All-India Rural Credit Survey Committee. This was augmented by the annual contribution of Rs. 5 crores in June 1956. The Fund, it may be recalled, is for the purpose of making long and medium-term loans to State Governments (to enable them to contribute to the share capital of co-operative societies), State co-operative banks and land mortgage banks. As at the end of March 1957, loans to the extent of

Rs. 268.20 lakhs were sanctioned to 11 States for contribution to the share capital of co-operative credit institutions. Out of this sum, Rs. 160.45 lakhs were drawn as at the end of March 1957. During the year under review, the Reserve Bank also set up the National Agricultural Credit (Stabilisation) Fund and made a contribution of Rs. 1.00 crore to it as required under Section 46B of the Reserve Bank of India Act. The setting up of this Fund had also been recommended by the Rural Credit Survey Committee.

The Agricultural Produce (Development and Warehousing) Corporations Act, 1956, was enacted in June 1956 and the National Co-operative Development and Warehousing Board was set up on September 1, 1956. The functions of the Board constituted under the Act are to plan and promote, among other things, programmes for marketing, storage and warehousing of agricultural produce through a co-operative society or a Warehousing Corporation. The Central Government is to provide to the Board a non-recurring grant of Rs. 5 crores and a recurring grant of Rs. 5 crores each year during the five years from the commencement of the Act. The Central Government is empowered to alter the amount of such recurring or non-recurring grant in any year having regard to the actual requirements of the Board. The Board is required to maintain two funds, viz., (1) the National Co-operative Development Fund and (2) the National Warehousing Development Fund. The former fund is to be used for advancing loans and granting subsidies to State Governments for the purpose of enabling them to subscribe to the share capital of co-operative societies or for otherwise financing co-operative societies. The latter fund is to be used for (1) subscribing to the share capital of the Central Warehousing Corporation, (2) advancing loans to State Governments for the purpose of enabling them to subscribe to the share capital of State Warehousing Corporations and (3) for advancing loans and granting subsidies to a Warehousing Corporation or to a State Government for the purpose of promoting the warehousing and storage of agricultural produce.

In accordance with the provisions of the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, the Central Warehousing Corporation was established on March 2, 1957 with a share capital of Rs. 10 crores. The authorised capital of the Corporation is Rs. 20 crores. The shares of the Corporation are guaranteed by the Central Government as to the repayment of the principal and the payment of the annual dividend at such minimum rate as may be fixed by them.

V. THE CAPITAL MARKET

General.—In last year's Report it was stated that "the capital market displayed considerable strength during the year under review, reflecting, by and large, the general continuance of economic conditions favourable to savings and investment, namely, the growth of the country's economy already achieved and the prospects of a more rapid development as envisaged under the Second Five Year Plan". This statement is broadly true of the year under review also, though the capital market displayed signs of increasing strain under the continued pressure of demand for capital resources for development.

As mentioned in the introductory chapter of this Report, the rate of investment in the private sector has been rising rapidly, necessitating a much larger volume of funds, through both self-financing by industry and new issues. Comprehensive data on the amount of capital raised by new issues are not available, but an analysis of the major issues of capital would appear to indicate that the volume of funds raised during the year under review showed a rise as compared to the previous year. This occurred against the background of a downward trend in share prices, which recorded a net decline of 9 per cent. The declining trend in share prices was largely to be explained by (i) the additional taxation measures adopted by Government, (ii) disinflationary action by the monetary authorities through raising of the interest rate pattern, etc. and (iii) prospects of a decline in industrial profits as a result of increasing cost of production consequent on the rise in agricultural prices and wage payments. In addition to the taxation measures, the scheme of compulsory deposit of company reserves also affected business sentiment. The effect of these as well as of the new tax proposals contained in the budget for 1957-58 on the volume and direction of investment activity cannot be assessed easily. However, it is unlikely that there will be any major setback to investment activity, in view of the continued stimulus of a large development programme, partly deficit-financed, and especially since Government has been at the same time endeavouring to provide assistance to the private sector, particularly financial assistance, both directly as well as through special institutions. Such temporary decline in the investment activity as may take place may not, however, be quite without advantage in the context of the strains that the economy has been experiencing, especially in the sphere of balance of payments.

Reflecting the general stringency in the money market, the gilt-edged market, during the greater part of the year under review, did not remain as firm as in the previous year. The price decline was moderated by the resumption of support by the Reserve Bank and also by some of the State Governments. Partly in view of this, the raising of the Reserve Bank's lending rates in the latter part of the year did not produce any disturbance in the gilt-edged market.

All-India Index Numbers of Security Prices

(Base: 1949-50 = 100)

	March 1956	March 1957	Annual Average ----- 1955-56 1956-57		Percentage Variation of (2) over (1) (4) over (3)	
	(1)	(2)	(3)	(4)	(5)	(6)
Government Securities (Central Loans) 	90.7	89.7	90.8	90.2	-1.1	-0.7
Fixed Dividend Industrial Securities (Preference shares)	85.8	79.8	87.3	82.9	-7.0	-5.0
Variable Dividend Industrial Securities 	121.4	111.1	121.6	121.2	9.2	-0.3

During the year under review, the activities of the different special institutions for the provision of finance to industry recorded a further expansion. The disbursement of loans by the Industrial Finance Corporation of India, for instance, was more than thrice the amount in the previous year. The State Financial Corporations also lent larger sums. As regards small-scale industries, the State Bank's 'pilot' scheme for the co-ordinated provision of credit to small-scale industries was put into operation at 9 selected centres. An important development regarding the provision of finance for industry is Government's decision to set up a Refinance Corporation to provide medium-term credit facilities for medium-sized industrial units in the private sector. The Corporation will provide re-lending facilities against loans given by banks to industrial concerns for stepping up production, primarily in industries included in the Second Five Year Plan.

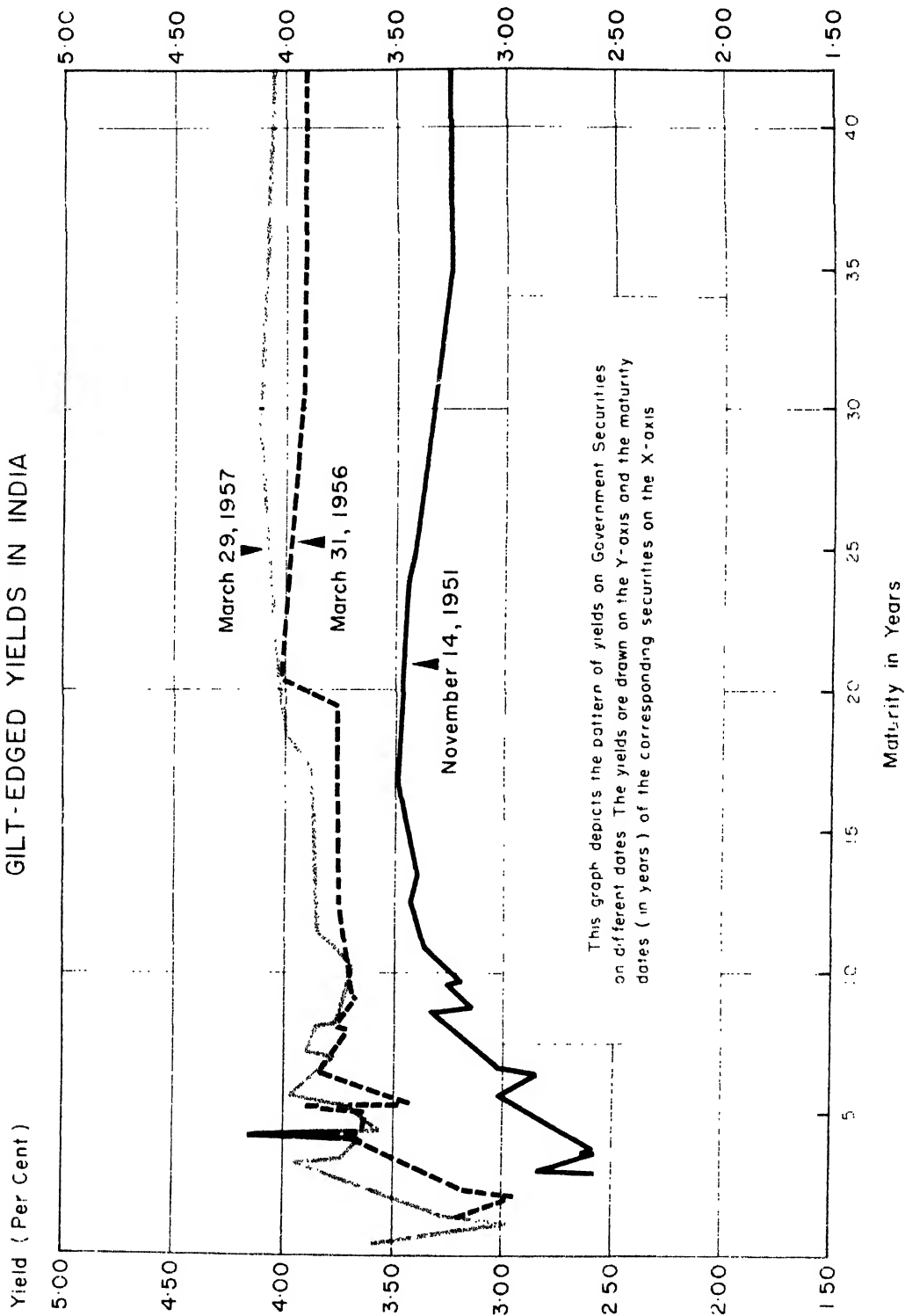
Government Securities Market.—In the gilt-edged market, the firm tendency which generally prevailed during 1955-56 was carried further upto about mid-June, mainly on sustained investment demand from non-bank institutional investors. On the other hand, scheduled banks, which were under severe pressure for funds, reduced their gilt-edged portfolio between March and June to the tune of Rs. 12 crores. The Reserve Bank's average index for Government of India securities (base : 1949-50 = 100) moved up from 90.7 in March to 91.1 in June. Among individual loans, the 3 per cent Conversion Loan which had declined from Rs. 80.50 in February to Rs. 76.63 early in April as a sequel to the raising of the Bank rate in the U.K. in mid-February 1956, recovered to Rs. 77.63 in June. Among the dated issues, the 3 per cent 1970-75 Loan touched the highest level, since the raising of the Bank rate in November 1951, of Rs. 90.37 on June 30. Subsequently, however, the market felt the impact of large-scale borrowing by the Central and State Governments in July and September and, in a process of digesting the new issues, the market declined, with the turnover dwindling to small proportions. The Reserve Bank index declined steadily from 91.1 in June to 89.8 in November. On the whole, the three-tier Union Government loans issued in July 1956 were not much affected, presumably

because of their relatively high current yields, and the declines in the existing Central issues were, in the main, confined to a few long and undated loans. The 3 per cent Conversion Loan, however, dropped sharply from Rs. 77.62 to Rs. 73 by the end of November—the lowest level touched since the Loan was issued in 1946. During this period, it was the State loans, particularly the new loans issued in September, which experienced considerable selling pressure. At the end of November, all the new State loans were quoting below their issue prices, the discount ranging up to Rs. 1.75 in the case of the Madras Loan. At this stage, the Reserve Bank started extending discriminating support to the market. The Conversion Loan was supported at Rs. 73. In the case of the State loans, the Reserve Bank requested the States also to support their respective loans. The resumption of official support to the market served to restore a measure of steadiness, and there was a moderate revival of activity during the first quarter of 1957 on a re-emergence of selective buying by non-bank institutional investors, though on a small scale. The raising of the Reserve Bank's lending rate against government securities, from $3\frac{1}{2}$ to 4 per cent, effective from February 1, 1957, produced no appreciable effect on prices, since the rise was largely in the nature of a realignment with the trend of market rates. The Reserve Bank's index moved up slightly from 89.5 in December to 89.7 in March. Between November 30 and March 30, the 3 per cent Conversion Loan recovered from Rs. 73 to Rs. 74.25, mainly owing to reported bear-covering. A few dated loans also recorded increases ranging upto Re. 0.45 in the case of the 3 per cent 1970-75 Loan. In State loans also, the earlier selling pressure abated and the pace of decline slowed down and the downtrend was even arrested by the close of the year.

For the year as a whole, however, barring a few short-dated loans which showed increases of 6 to 18 naye paise, most of the remaining issues recorded declines which were particularly marked in the long and undated issues. The 3 per cent Conversion Loan of 1946, which had declined by Rs. 3.81 in 1955-56, declined further by Rs. 2.56, and in the dated section the 3 per cent 1970-75 Loan registered the maximum decline of Rs. 1.88 which wiped out partially the rise of Rs. 2.31 recorded in the previous year. In the case of State loans, the declines over the year ranged upto Rs. 1.63 in the case of the M.P. Loan 1967.

Over the year, yields on Central Government securities hardened by about $\frac{1}{4}$ per cent. For instance, the 3 per cent 1970-75 Loan fetched an yield (to later redemption date) of 3.98 per cent at the year-end, as against 3.75 per cent a year before. The yield (flat) of the 3 per cent Conversion Loan of 1946 also rose from 3.91 to 4.04 per cent. In the case of State loans also the rise in yields was about $\frac{1}{4}$ per cent. Thus the Andhra Loan 1968 fetched 4.24 per cent at the end of March 1957, as against 4.05 per cent at the time of its issue in September 1956.

GILT-EDGED YIELDS IN INDIA



Industrial Securities Market.—In the industrial share market, the upswing in prices which followed the short-lived reaction of January-February 1956, was carried somewhat further upto the end of August, the Reserve Bank's all-India index for variable dividend industrial securities recording a modest rise from 124.6 at the end of March 1956 to 128.6 by September 1—a level which was only slightly lower than the peak of 131.9 attained at the end of November 1955. The market's reaction to Government's revised industrial policy announced early in April 1956 was apparently not unfavourable. Sentiment was also favourably influenced by the expanded size of the Second Plan as compared to the First Plan. The firmness was also sustained by the prevailing optimism regarding the trend of company earnings and dividends and prospects of bonus issues, and the new import policy for the half year ended December 1956 announced at the end of June, which provided for a further liberalisation of imports of machinery and industrial raw materials. Textile and steel shares were in the forefront of the advance; while the former group was aided, among other things, by rising domestic consumption, the latter group was favourably influenced by the prospect (since materialised) of an early grant of a \$75 million loan to the Tata Iron and Steel Company by the World Bank.

From September onwards, however, the market again developed a downward tendency, which proved to be more prolonged and acute than the reaction of January-February 1956. It lasted throughout the rest of the year and even continued thereafter, reaching its climax soon after the budget proposals for 1957-58 were announced in mid-May 1957. There were only occasional spells of recovery. Throughout this period, the monetary situation continued to be stringent, with a rise in money rates, and the downtrend in industrials reflected to an extent the adjustment of share prices to a higher yield basis.

The bear phase first started as a reaction to the raising of the excise duty on cloth towards the close of August and was accelerated at the end of November, following the presentation of the supplementary budget. In particular, the imposition of the capital gains tax and the increase in the super-tax on dividends as well as the scheme for compulsory deposits by companies affected the market adversely. Further, though the current trend of corporate earnings was good, it was feared that this might not continue in view of the continued rise in raw material prices and wage costs and demands for higher basic wages generally. The Reserve Bank's index of variable dividend industrial securities dropped from 128.6 for the week ended September 1 to 112.6 early in January 1957. A part of the decline may also be regarded as a corrective to the unhealthy speculative element, which in the previous boom period had succeeded in lifting share prices to very high levels. A brief recovery ensued during the period January 11 to 23, mainly owing to technical factors, but thereafter the bearish trend

soon reasserted itself. Sentiment, in the main, was adversely affected by apprehensions of a likely deterioration in the Kashmir situation. The discouraging reports from the cotton piecegoods market was a special factor adversely affecting the textile group. The market again recovered somewhat during the first half of March, influenced partly by the encouraging trend of corporate news particularly from the textile section and partly by anticipation of a possible downward revision of the excise duty on cloth. But, following the presentation of the *interim* budget on March 19, the downtrend was resumed. This was mainly attributed to fears of increased taxation in the May budget in view of the large size of the estimated overall deficit for 1957-58 revealed by the *interim* budget, and the determination expressed by Government not to whittle down the Second Five Year Plan. Government's statement in the *Rajya Sabha*, on March 26, that the existing excise duty on cloth will not be reduced also contributed to the downtrend.

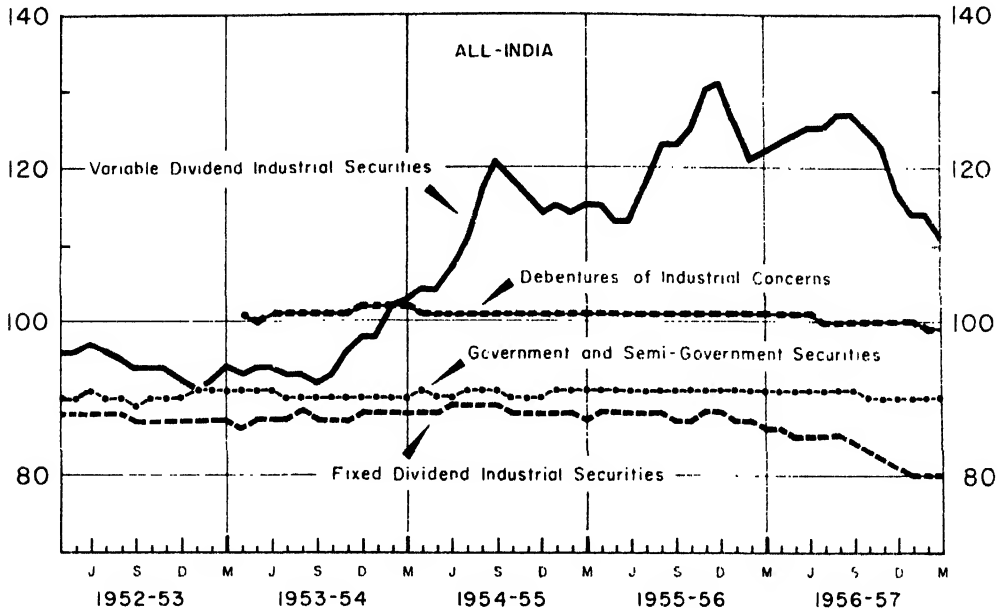
For the year as a whole, the market recorded a fall of 9.2 per cent, with the Reserve Bank's all-India index of variable dividend industrial securities (base: 1949-50 = 100) falling from 122.4 for March 1956 to 111.1 for March 1957. This decline contrasted with the successive net increases of 6.1 per cent, 12.5 per cent and 9.4 per cent recorded in the preceding three years. Region-wise, the Calcutta share market recorded the largest decline of 13.1 per cent, followed by the Bombay market which showed a decline of 4.8 per cent. The Madras market, however, recorded a small net rise of 0.4 per cent. These regional divergences arose mainly from the differences in the industrial groups traded at these centres.

A comparative analysis of the movements in the prices of the various groups and sub-groups during the year revealed wide divergences, which reflected the operation of special factors in regard to individual industries. Among the various sub-groups, with the notable exceptions of banks and shipping, most of the remaining leading sub-groups showed net declines. The index of banks and shipping, which had risen by 4.7 per cent and 12.1 per cent in 1955-56, rose further by 6.7 per cent and 9.0 per cent, respectively, during 1956-57, reflecting mainly the improved performance of these sectors. The manufacturing group, which had recorded a rise of 10.1 per cent in 1955-56, dropped by 11.0 per cent; the declines ranged from 3.9 per cent in the case of cotton textiles to 27.7 per cent in the case of jute; in 1955-56, while cotton textiles had risen by 24.0 per cent, jute textiles had fallen by 15.3 per cent. The continued decline in jute shares reflected current low profits and the general pessimism in the market regarding the outlook for this industry. The non-manufacturing group recorded a fall of 15.2 per cent as against a rise of 1.3 per cent in the previous year. In this group, coal shares declined by 12.2 per cent as against a rise of 3.8 per cent last year, while plantation shares went down further by 8.7 per cent, reflecting mainly the uncertainty created by the labour awards.

GRAPH 13

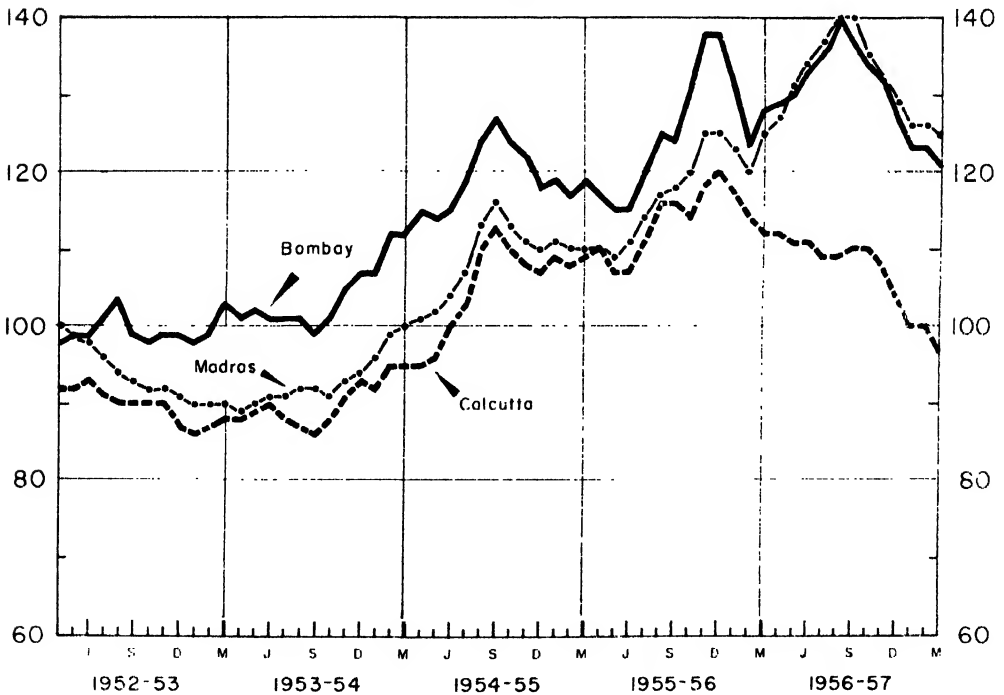
INDEX NUMBERS OF SECURITY PRICES

Base. 1949-50=100



VARIABLE DIVIDEND INDUSTRIAL SECURITIES

REGIONAL



As regards fixed dividend industrial securities, the index for preference shares at 79.8 showed a further decline of 7.0 per cent. The index for debentures at 99.0 also showed a fall of 2.1 per cent, as against a small rise of 0.4 per cent last year.

Over the year, there was a further hardening of yields on industrial securities. The all-India yield* on debentures rose by 0.27 per cent to 4.11 per cent, and that on preference shares by 0.39 per cent to 5.66 per cent. The rise in yields on variable dividend industrial securities was larger, being 0.49 per cent at 6.05 per cent. Although on account of somewhat different coverage, the indices of prices and yields compiled by the Reserve Bank are not strictly comparable, it is interesting to note that according to these indices, whereas both prices and yields on equities had risen together during 1955-56 indicating higher dividend distributions, in 1956-57 yields rose mainly because of the fall in share prices. Among the sub-groups, barring the jute and plantation groups, the yields on the other groups showed increases which exceeded 1 per cent in the case of cotton textiles, general engineering, shipping and other transport, paper, coal and mining and oil. In some cases, as for instance, cotton textiles, the rise in yield was more than proportionate to the fall in prices, indicating higher dividends. The declines in yields in the case of jute and plantations, despite a sharp fall in their prices, indicated distribution of smaller dividends.

Capital Issues.—Available data seem to indicate that the new issues market had yet another active year in 1956-57, with a not insignificant rise in volume. There also appears to have been a shift from debentures to preference and ordinary shares, judging from big issues. The important new issues made during 1956 included the ordinary shares of the Tata Iron and Steel Co. for Rs. 9.64 crores (issued at a premium of Rs. 3.86 crores)† and of Associated Cement Companies for Rs. 6.36 crores (offered at a premium of Rs. 1.27 crores)** and the 6 per cent (tax-free) cumulative preference shares, redeemable after June 30, 1963 and convertible into ordinary shares after 5 but before 10 years, issued by Hindustan Motors for Rs. 5 crores**. The other large issues of Rs. 1 crore and above were the 5 per cent (taxable) debentures, 1960-65 issued by the Tata Locomotive and Engineering Co. for Rs. 1.50 crores, the ordinary shares for Rs. 1 crore** and the 6 per cent (tax-free) cumulative preference shares, 1966-71 for Rs. 50 lakhs** issued by Saurashtra Cement and Chemical Industries, the ordinary shares of Voltas for Rs. 1.05 crores and the 5½ per cent (tax-free) cumulative second preference shares, 1967 issued by Kesoram Cotton Mills for Rs. 1 crore**.

* The yields referred to here are free of income-tax.

† Only Rs. 9 crores was called up in 1956.

** Only one-half of the amount was called up in 1956.

The data published by the Controller of Capital Issues relate only to amounts asked for and sanctioned. The total amount *asked for* in respect of applications decided during 1956 rose sharply from Rs. 151 crores in 1955 to Rs. 254 crores. There was a relatively larger rise in the total amount of issues *sanctioned*, from Rs. 125 crores to Rs. 230 crores, the highest since 1948. Consequently, the percentage of the amount sanctioned to the amount asked for increased from 83 to 90. It should be mentioned that Government companies accounted for Rs. 59 crores or 26 per cent of the total amount sanctioned in 1956. As in previous years, industrial issues, which were sanctioned Rs. 193 crores during 1956, continued to predominate over non-industrial issues, which were sanctioned Rs. 38 crores during the year. The amount sanctioned for *initial* issues (i.e. issues of new companies) rose from Rs. 47 crores in 1955 to Rs. 80 crores in 1956 and that for *further* issues (i.e. issues of existing companies) from Rs. 78 crores to Rs. 150 crores. There was a significant shift from bonds to equities for initial and further issues taken together.

As regards foreign participation, the amount sanctioned for issue to non-residents ‡ rose from Rs. 23 crores in 1955 to Rs. 49 crores in 1956 §. The share of residents in the U.S.A. rose from Rs. 5.2 crores to Rs. 35.9 crores §, and that of residents in the U.K. from Rs. 6.9 crores to Rs. 7.2 crores. Out of the total amount sanctioned, initial issues accounted for Rs. 3.7 crores, further new issues (including loans) for Rs. 43.4 crores and bonus issues for Rs. 1.9 crores.

Data regarding actual capital raised from year to year are not available. However, figures of capital subscribed and paid-up against the consents granted during the 7 years 1950 to 1956 are available in respect of companies which have reported to the Controller of Capital Issues. The data of subscribed and paid-up capital give an encouraging picture. During the seven-year period 1950-56, new issues amounting to Rs. 632 crores were sanctioned, of which Rs. 481 crores were in respect of ordinary and preference shares issued for cash, Rs. 67 crores for bonus issues and Rs. 85 crores for debentures. Of these, data regarding capital raised are available only in respect of companies which were sanctioned Rs. 366 crores. As against Rs. 253 crores sanctioned for share capital against cash subscriptions, the amount subscribed and paid-up in respect of these companies was Rs. 206 crores and Rs. 170 crores, respectively, as at the end of 1956. As regards debentures, Rs. 49 crores were subscribed and paid-up as against Rs. 56 crores sanctioned. The position is summarised below.

‡ These figures include consents granted for the issue of capital to non-residents under the Capital Issues Control Act, as well as approvals accorded under the Foreign Exchange Regulation Act.

§ The substantial rise in 1956 is due to consent given to the Tata Iron & Steel Co. to raise a loan of Rs. 36 crores from the World Bank.

(In Crores of Rupees)

1950-56				Companies granted consents	Companies which sent reports about capital subscribed and paid-up		
				Amount sanctioned	Amount sanctioned	Amount subscribed	Amount paid-up
New Shares †	..	..	..	481	253	206	170
Bonus Issues	..	..	..	67	57	56	56
Debentures	..	..	..	85	56	49	49
Total				632	366	311	275

† Ordinary and preference shares issued for cash.

Working of the Finance Corporations.—During the year under review, there was a decline in loans sanctioned by the *Industrial Finance Corporation of India* to Rs. 9.76 crores in respect of 37 industrial concerns, from Rs. 13.38 crores for 41 concerns during 1955-56. The principal borrowers were sugar, chemicals, cotton textiles and engineering industries. Of the total amount sanctioned, Rs. 3.34 crores were in respect of 9 sugar co-operatives, as against Rs. 3.30 crores sanctioned to 8 sugar co-operatives in the preceding year. Since its inception in July 1948 upto March 31, 1957, the Corporation has sanctioned loans aggregating Rs. 48.36 crores in respect of 233 applications. The pace of disbursement of loans was, however, considerably accelerated during the year. The amount disbursed rose steeply from Rs. 2.17 crores in 1955-56 to Rs. 7.86 crores in 1956-57, the 1956-57 disbursement accounting for nearly one-third of the total amount (Rs. 24.10 crores) disbursed by the Corporation since its inception in July 1948 upto March 31, 1957. The outstanding loans and advances rose further from Rs. 14.01 crores on March 29, 1956 to Rs. 20.70 crores on March 29, 1957, constituting 95 per cent of the total assets. To enable the Corporation to meet the increasing demand from industrial concerns for financial assistance, a sum of Rs. 13.5 crores has been provided in the Second Five-Year Plan as Central Government loans to the Corporation. Of this, Rs. 6 crores were drawn during the year under review. The Corporation's borrowings from the Reserve Bank under Section 21(3) (b)* of the Industrial Finance Corporation Act increased from Rs. 0.61 crore on March 29, 1956 to Rs. 2.99 crores on December 28, 1956, after which there was a decline to Rs. 1.06 crores on March 29, 1957—a net increase of Rs. 0.45 crore over the year.

* Under this Section, the Industrial Finance Corporation can borrow from the Reserve Bank for fixed periods not exceeding 18 months, upto a maximum of Rs. 3 crores in the aggregate at any time, against securities of the Central Government of any maturity or against bonds and debentures issued by the Corporation and guaranteed by the Central Government and maturing within 18 months from the date on which money is borrowed.

The year under review witnessed an expansion in the activities of the *State Financial Corporations*. Both the amount sanctioned and the amount disbursed during the year were larger at Rs. 4.43 crores and Rs. 2.86 crores, as against Rs. 4.05 crores and Rs. 1.87 crores, respectively, in the preceding year. The total amount of outstanding loans and advances increased further from Rs. 4.03 crores to Rs. 6.45 crores and constituted 46 per cent of total assets, as against 32 per cent last year.

The number of State Financial Corporations, set up under the State Financial Corporations Act, 1951, declined by two through amalgamation, effective November 1, 1956, in terms of Section 102 (3) and (6) of the States Re-organisation Act, 1956. The Bombay and Saurashtra Financial Corporations were amalgamated to form the Bombay State Financial Corporation; the Andhra and Hyderabad State Financial Corporations were amalgamated to form the Andhra Pradesh State Financial Corporation. Since then, therefore, there are 11 State Financial Corporations, including the Orissa State Financial Corporation (which has issued capital to the extent of Rs. 50 lakhs, but has not so far commenced operations), but excluding the Madras Industrial Investment Corporation Ltd., which was registered under the Indian Companies Act in 1949.

The State Financial Corporations Act was amended in several respects by the State Financial Corporations (Amendment) Act, 1956, which came into force from October 1, 1956. The Amendment Act provides for: (i) setting up of joint financial corporations for two or more States or extension of jurisdiction of a Corporation to other State(s), (ii) acting of Corporations as agents for the Central or State Governments or the Industrial Finance Corporation of India, in the transaction of any business with an industrial concern in respect of loans or advances granted, or debentures subscribed, by any of them, (iii) granting of financial accommodation to industries against the guarantee of State Government, a scheduled bank or a State co-operative bank, (iv) short-term borrowings by the Corporations from the Reserve Bank against Government securities and (v) inspections of the Corporations by the Reserve Bank.

Since its inception in January 1955, the *Industrial Credit and Investment Corporation of India*** agreed to give financial assistance for Rs. 6.01 crores in respect of 24 applications and a further 15 applications for a total assistance of Rs. 6 crores were under examination. Of the Rs. 6.01 crores sanctioned upto the end of 1956, Rs. 2.95 crores were in respect of 10 loans, Rs. 2.38 crores for underwriting 7 issues of ordinary and preference shares and Rs. 68 lakhs towards direct subscriptions to 8 ordinary and preference share issues. The industries which the Corporation has assisted so far include the manufacture of paper, chemicals and pharmaceuticals,

** See this Report for 1954-55 and 1955-56, respectively, for the constitution and functions of the Corporation and its working during 1955.

electrical equipment, fuel injection equipment and equipment for the textile industry and the refining of sugar and metal ores.

Of Rs. 2.95 crores sanctioned for loans, Rs. 54 lakhs were actually disbursed by the Corporation by the end of 1956. Similarly, of Rs. 3.06 crores sanctioned for underwriting of, and direct subscriptions to, ordinary and preference shares, Rs. 1.15 crores were actually invested in these shares. Of the Rs. 2.38 crores sanctioned for underwriting, Rs. 1.77 crores were actually underwritten. The Corporation's eventual subscription to shares would amount to only Rs. 75 lakhs, the balance having been taken up by other investors.

Because of the comparatively small rise in loans to and investments in industrial companies during the year, the Corporation's assets continued to be highly liquid. Of the total assets of Rs. 13.09 crores at the end of 1956, cash and bank balances (mainly fixed and call loan deposits) amounted to Rs. 5.78 crores and holdings of Government and Government guaranteed securities amounted to Rs. 4.47 crores. The Corporation did not draw during the year the \$10 million 15-year loan which the International Bank for Reconstruction and Development has sanctioned to the Corporation.

The *National Industrial Development Corporation*, which was set up in October 1954 as a Government-owned private limited company, has, with the help of foreign technical teams, prepared project reports for a number of new industrial units. The Corporation, with the approval of Government, proposes to concentrate on projects relating to (a) the manufacture of industrial machinery, (b) production of the primary intermediates required by the drugs, dyestuffs and plastics industries and (c) some important raw materials like aluminium and synthetic rubber.

The finances required by the Corporation are provided by the Central Government in the shape of grants and loans. A provision of Rs. 1.49 crores was made for 1956-57 (R.E.); the budget estimates for 1957-58 make a larger provision of Rs. 4.50 crores. The Corporation also acts as the agency of Government for the grant of loans for the rehabilitation and modernisation of jute and cotton textile industries; the Corporation has so far sanctioned about Rs. 1.95 crores to six cotton textile mills and Rs. 55 lakhs to two jute mills. The loans given by the Corporation bear interest at $4\frac{1}{2}$ per cent per year and are repayable in 15 annual instalments. Two Advisory Committees have been set up for the scrutiny of applications for loans—for jute in Calcutta and for cotton textiles in Bombay.

Financing of Small-Scale Industries.—Provision of special financial facilities for the development of small-scale industries continues to be an integral part of Government's policy. Although the State Governments are primarily concerned with the development of small-scale industries, financial assistance is given by the

Centre for specific schemes to supplement the efforts of the State Governments. In respect of departmental schemes run by State Governments, which are of a non-commercial nature, 75 per cent of the expenditure on cost of land and building is given as an outright grant. The Centre also contributes 50 per cent towards recurring expenditure on establishment and provides the entire working capital as loan. In the case of schemes of a commercial nature, 75 per cent of the total expenditure (fixed investment plus working capital) is provided by the Centre as a long-term loan. Several community project areas have been selected for intensive development of small-scale industries. Central assistance to State Governments in this behalf has been growing. While a provision of Rs. 60 lakhs as grants and Rs. 3 crores as loans has been made in the revised estimates for 1956-57, a total provision of Rs. 1 crore for grants and Rs. 3.4 crores for loans has been made in the budget estimates for 1957-58. Further, Rs. 1 crore each have been provided in the revised estimates for 1956-57 and in the budget estimates for 1957-58 for giving loans for the establishment of industrial estates.

A reference was made in last year's Report to the institution of a 'pilot' scheme by the State Bank of India for the co-ordinated provision of credit to small-scale industries. The scheme, which is being worked in collaboration with State Financial Corporations, co-operative banks, Central and State Governments, was, by the end of 1956, put into operation at nine selected centres, three each in the three circles of the Bank and there is a proposal to extend the scheme to additional centres. Under the scheme, a borrower is required to apply to the Agent of the State Bank or the local co-operative bank for *all* his credit requirements. According to provisional arrangements, applications for smaller amounts are ordinarily considered by the Director of Industries and those for other loans are taken up by the State Bank or the co-operative bank, if they are for working capital, and by the State Financial Corporation, if they are for medium or long-term capital. These agencies act in collaboration in the case of applications for more than one type of finance. The State Bank and co-operative banks supply the necessary information about the credit-worthiness of parties, while the Department of Industries and/or the Small Industries Service Institutes provide technical advice.

The State Bank has also put into operation, at all the 'pilot' centres, a 'Liberalised Credit Scheme' in order to assist the small industries as much as possible. While the traditional safeguards would ordinarily be maintained, the rigidity of standards as also the administrative procedures would be relaxed in favour of small industrialists, who will receive positive help and guidance from the Agents of the Bank and will also be considered for clean advances in appropriate cases.

Financial facilities for medium-sized industries are also being expanded. Government have decided to set up a *Refinance Corporation* to provide

medium-term credit facilities for medium-sized industrial units in the private sector. Fifteen leading banks in the country and the Life Insurance Corporation have been invited to participate in the Corporation. The Corporation will start with an ordinary share capital of Rs. 12.5 crores, which may be increased later; of this, the share of the various institutions will be as under: Reserve Bank of India (Rs. 5 crores) and the Life Insurance Corporation, the State Bank of India and other scheduled banks (Rs. 2.5 crores each). Government will also place with the Corporation American counterpart funds in connection with imports under U.S. P.L. 480 to the extent of Rs. 26 crores as an interest-bearing loan for 30 years. The Corporation will provide re-lending facilities against loans given by banks to industrial concerns for the purpose of increased production, primarily in industries included in the Second Five Year Plan. Loans to be eligible for rediscount must be for periods between 3 and 7 years and of a medium-sized amount, not exceeding Rs. 50 lakhs. The Reserve Bank of India Act and the State Bank of India Act have been suitably amended for the purpose. The Reserve Bank (Amendment) Act will enable the Bank to contribute to the capital of financial institutions which may be set up to provide medium-term loan assistance to industries. The State Bank of India (Amendment) Act seeks to remove some of the existing restrictions relating to grant of loans and advances by the Bank for more than six months and against the primary security of immovable property.

Securities Contracts Regulation.—A notable development in the field of statutory control on transactions in securities was the enactment during the year of the Securities Contracts (Regulation) Act, 1956—the first all-India legislation seeking to control transactions in securities and to regulate stock market practices*. Broadly, the Act applies to transactions other than spot delivery contracts**, although power has been taken in the Act to regulate spot delivery contracts as well. The pattern of regulation adopted under the Act is one of ‘unitary control’, i.e. the Act permits business in respect of securities only through those stock exchanges, one for each particular area, which have been recognised by the Union Government; however, in areas outside the jurisdiction of recognised stock exchanges, the Act also provides for the licensing of dealers and brokers in securities. Recognised stock exchanges are left free, subject to the previous approval of Government, to make bye-laws for the regulation and control of contracts, which may provide for, among other things, the establishment of a clearing house for the periodical settlement of contracts and differences thereunder, the delivery of and payment for securities

* For details, see the October 1956 issue of the Reserve Bank of India Bulletin.

** A spot delivery contract is defined as a contract which provides for the actual delivery of securities and the payment of a price therefor either on the same day as the date of the contract or on the next day, the actual period taken for the despatch of the securities or the remittance of money therefor through the post being excluded from the computation of the period mentioned above, if the parties to the contract do not reside in the same town or locality (Section 2(i)).

etc., regulation or prohibition of *buddlas* or carryover facilities, separation of functions of jobbers and brokers, listing of securities, regulation or prohibition of blank transfers, etc. At the same time, power has been taken by Government to make or amend bye-laws of recognised stock exchanges and to withdraw the recognition granted to a stock exchange, and in abnormal and extraordinary situations also to supersede the governing body of a recognised association and to suspend the business of a stock exchange for stipulated periods in the interest of trade or in public interest. The Act also provides for representation on the exchange of the Central Government through not more than three nominees. Recognised stock exchanges are required to furnish to the Central Government such periodical returns relating to their affairs as may be prescribed. Also, every recognised stock exchange and every member thereof is required to maintain such records as may be prescribed and to furnish such explanation or information as Government may require. Dealings in options have been prohibited under the Act. The Act received the President's assent in September 1956. The administration of the Act has been entrusted to the Stock Exchange Division of the Ministry of Finance of the Union Government. Two sections of the Act relating to prohibition of option dealings (Section 20) and title to dividends (Section 27) were brought into force on February 20, 1957 and the remaining sections will come into effect in the next few months.

VI. THE BULLION MARKET

General.—During 1956-57, bullion prices maintained higher levels than in 1955-56. The 1956-57 average was higher than the average for the preceding year by 9.0 per cent in gold and 4.1 per cent in silver. The range of price variations was smaller than in 1955-56 in both gold and silver, the lowest quotations for the year being significantly higher than the corresponding ones for 1955-56. The year-end quotations, however, did not reveal much change as compared to a year before, as the spurt in prices occurred in the last month or two of the year 1955-56 and continued to be maintained in the year under review. This is significant, especially as regards silver, in view of the large imports of silver coins from Tibet, following Government's decision (referred to in the last year's Report) to license freely the import of these coins, effective from May 3, 1956, mainly to facilitate the Indo-Tibetan trade. This indicates the strength of demand, arising from the growth of incomes in the country. Changing outlook regarding the imports of Tibetan silver was in fact the dominant speculative factor in the Indian silver market during the year. As regards gold, certain quantities continued to be brought in through smuggling.

Abroad, price movements in both gold and silver were narrow, despite the Suez Canal crisis. In gold, the range of price fluctuations for bar gold (delivery London as quoted against U.S. dollars in Europe) at about 23 cents was larger as compared to 11 cents per ounce in 1955. This may be compared to the range of \$12 in 1949 and \$6 in 1951. The increasing use made by Central Banks of the international gold market as a medium for arbitrage operations and the Bank of England's preparedness to sell newly-mined South African gold together exerted a general stabilising influence on world gold markets. World gold production (excluding the U.S.S.R.) recorded a further rise during 1956, of about 3½ per cent from 27.1 million to 28.1 million fine ounces, while sales of gold by U.S.S.R. (about 4.3 million ounces) were the largest in any year since the war; however, these increases in world gold supplies had no perceptible effect on market prices. The volume of turnover in gold in world markets has been estimated to be at least 25 per cent higher during 1956 than in the previous year, a part of the increase being attributed to the increased hoarding demand stimulated by the Middle East crisis. The year also witnessed the establishment of free gold markets in Belgium, Canada, West Germany and Greece.

Stability continued to characterise the price trends of silver also in world markets, with the U.S. silver legislation providing for the purchase and sale of silver by the U.S. Treasury continuing to be in force. The Treasury's buying price of 90½ cents per ounce for domestic production kept the market from dropping very much below this level and its selling price of 91 cents to U.S. consumers limited price increases during periods of rising demand. The New York price of foreign silver,

which had closed at 90½ cents on December 31, 1955 stood at 91½ cents at the end of December 1956. The silver price in London more or less followed the trend in New York. A feature of the silver market during the year was the release, both in the U.K. and the U.S.A., of substantial quantities of silver for industrial users from official stocks for sometime in the last quarter of the year, to relieve the very critical shortage of silver which developed because of the Suez Canal situation and the dock strike in the U.S.A. In 1956, both world production and consumption of silver were higher than in 1955. World silver production is estimated to have risen by about 4 per cent to 230 million ounces. As against this, consumption is estimated to have increased from 222.4 million ounces to 260.4 million ounces or by 17 per cent ; of this, nearly 204.3 million ounces (or about 14 per cent more than last year) were consumed in the arts and industries. Consumption for coinage rose by about 30 per cent to 56.1 million ounces mainly in the U.S.A.

With the approach of the repayment date for lend-lease silver (April 1957), the return of silver to the United States to meet the wartime obligations increased sharply during 1956. Of the total of 94.9 million ounces returned during the year, the U.K. accounted for about 65.6 million ounces (as against a total obligation of 88.1 million ounces). The Netherlands, continuing the shipments started in 1955, returned about 19.3 million ounces, and Australia about 10 million ounces. Of the original lend-lease obligations amounting to 410.8 million ounces, the estimated total return of lend-lease silver through December 1956 was about 123.3 million ounces, leaving a balance of about 287.5 million ounces.

The Government of India announced on April 22, 1957 their decision to return to the U.S.A. India's share amounting to approximately 172 million ounces, of the 226 million ounces of silver obtained by the Government of undivided India during the war years 1943-45. It has been agreed between the Governments of the U.S.A. and India that, of the 172 million ounces, 50 million ounces will be shipped in the form of bars of fine silver, the transport charges being met by the Government of India. The remaining 122 million ounces will be returned in the form of quaternary alloy silver coins, which will be handed over to the U.S. Embassy in India and all the costs of handling, transporting and refining these coins will be on account of the U.S. Government. It has also been agreed that the U.S. Government will retain all the metals recovered in the refining process.

In India, the domestic gold output declined further during 1956* to 209,251 ounces (valued at Rs. 5.67 crores), as against 210,884 ounces (valued at Rs. 5.30 crores) in 1955. As in the previous year, the decline in output was due in part to labour troubles and in part to the low grade of the ore mined. There was also some dislocation of work in the Mysore mines for a period of 10 weeks due to accumulation of water as a result of heavy rains. A major development during the year was the nationalisation, by the Mysore Government, of all the gold

* Figures are provisional.

mining undertakings in the State and allied establishments, effective from November 29, 1956, in terms of the Kolar Gold Mining Undertakings (Acquisition) Act, 1956. Indian silver production, which is relatively quite insignificant, also recorded a decline during the year; the output during 1956* amounted to 104,646 ozs. (valued at Rs. 3.76 lakhs) as against 131,713 ozs. (valued at Rs. 5.68 lakhs) during 1955.

While the domestic output of both gold and silver declined, supplies of bullion to the market were augmented by continued arrivals of contraband gold, although for sometime during the year, smuggling activity appeared to be at a low ebb in view of the Suez Canal crisis. In silver, the supply position was helped considerably by arrivals of Tibetan silver coins practically throughout the year under review. These developments, particularly the influx of Tibetan coins, had the effect of moderating the earlier bull pressure on the market.

As already stated, the range of fluctuations in bullion prices was smaller than last year; in gold it was about Rs. 11 and in silver about Rs. 19, as compared to Rs. 18 and Rs. 29 respectively, in the preceding year. The year's trading also revealed small net changes in prices† for the year as a whole, though there were the usual seasonal movements; while gold showed only a fractional decline from the previous year's closing level of Rs. 105.87, silver showed a net fall of Rs. 1.44 at Rs. 179.87; these contrasted sharply with the large net increases of Rs. 13.44 in gold and Rs. 15.62 in silver recorded during 1955-56. The price trends in gold and silver are discussed below separately in some detail.

Silver Prices.—The price of silver, which had stood at Rs. 181.31 on March 31, 1956, rose to Rs. 183.37 by April 30, thus continuing the rise noticed in the last quarter of 1955-56. In May and June, there was a set-back, following Government's decision, announced on May 3, 1956, to license freely the import of Tibetan silver coins and on June 16 the price dropped to the lowest level of the year at Rs. 168.69. This was followed by a mild recovery, with the quotation rising to Rs. 174.19 by July 16. Thereafter, an irregular tendency prevailed upto December, but price movements by and large were confined to narrow limits, varying between Rs. 170 and Rs. 176. During this period, the bullish influence of the political developments in West Asia and the emergence of busy season demand was largely neutralised by the bearish effect of the continued inflow of Tibetan silver coins. Thereafter, upto about early February 1957 there was more or less a continuous rise induced mainly

* Figures are provisional.

† Throughout this Chapter, only the trends in 'ready' prices have been reviewed, since 'ready' and 'forward' rates generally showed parallel movements.

by the increased spot demand with the progress of the busy season and signs of increased tension between India and Pakistan over the Kashmir issue. The price of silver advanced by February 6 to Rs. 187.37, which is a peak figure for recent years. The market declined thereafter, the change in sentiment being mainly attributed to persistent fears of an increasing inflow of Tibetan silver coins in the coming weeks. By March 4, the quotation declined to Rs. 176.06 and closed for the year at Rs. 179.87, showing a net decline of Rs. 1.44 over the year. The average for 1956-57, however, worked out higher at Rs. 175.63, as against Rs. 168.72 for last year. During the year, the premium of the ready over the forward ranged upto Rs. 5.00, while the maximum discount was only Re. 0.87, as compared to Rs. 5.50 and Rs. 1.75 respectively in 1955-56.

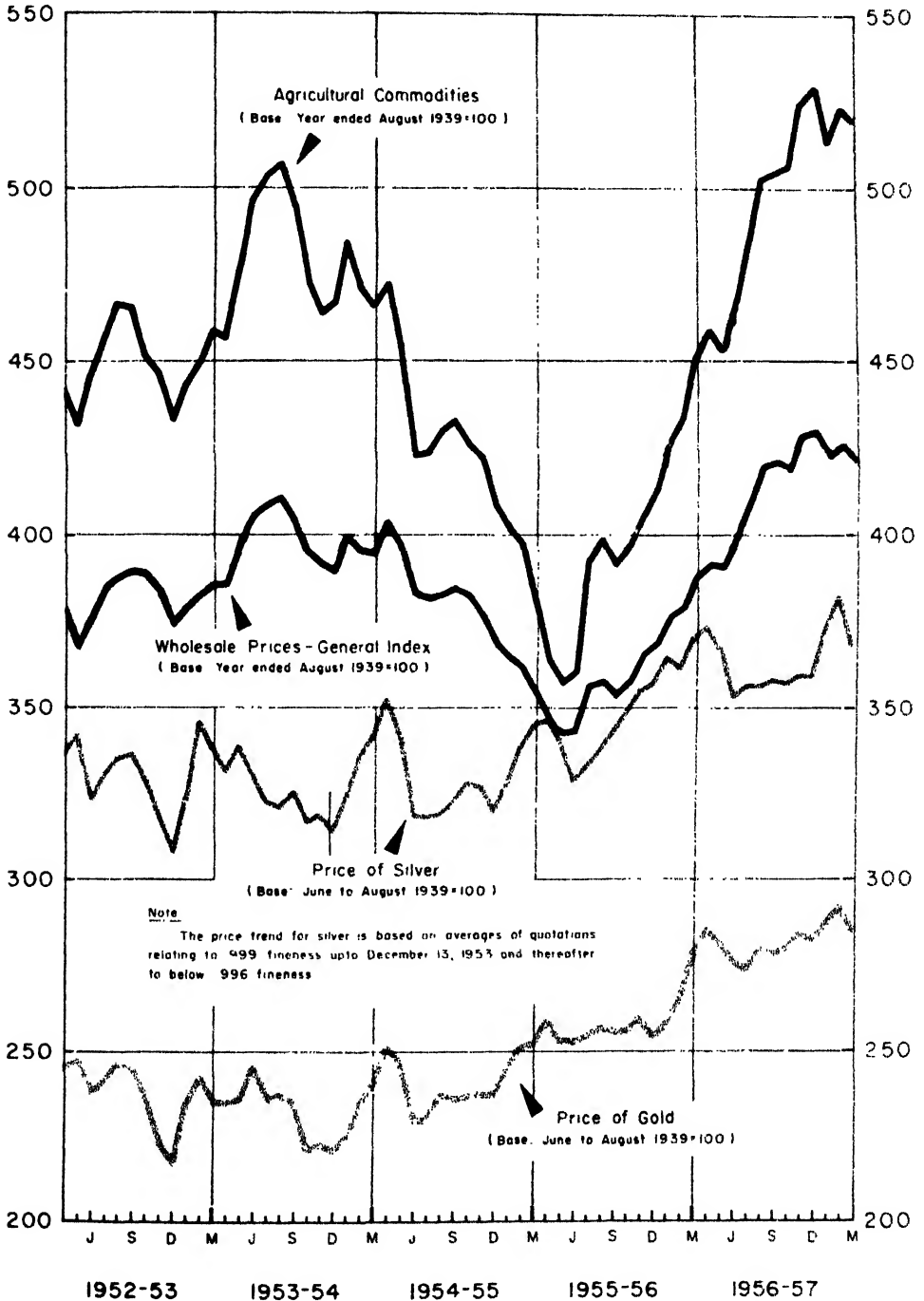
Gold Prices.—Gold generally followed the trend in silver, but the range of price variations was smaller. The ready rate, which had stood at Rs. 105.87 on March 31, 1956, rose to Rs. 106.72 by May 3. In the recession that followed, this metal touched the lowest level of the year at Rs. 98.94 on July 6, the sharp fall being also partly attributable to rumours of arrival of smuggled gold. However, by August 2, the price recovered to Rs. 104.37 on renewed buying at the lower levels. Thereafter, as in silver, the gold price moved irregularly both ways within a narrow range of Rs. 102 and Rs. 107 upto the end of December. During the period, the bullish factors included the Suez Canal crisis and the emergence of seasonal demand, while sentiment also appeared to have been aided by the upward revaluation of gold stocks held by the Reserve Bank in pursuance of the Reserve Bank of India (Amendment) Act, 1956. The bullish influence of these developments was, however, counteracted by the bearish incidence of the news regarding Russian sales of gold in the London money market and rumours of a possible raising of the sales tax on bullion by the Bombay Government. Subsequently, however, with the progress of the seasonal demand, the market firmed up and the rate advanced to Rs. 109.44 by February 15. A fall towards the close brought down the rate to Rs. 105.75, representing a net decline of only 12 naye paise over the year. The annual average for 1956-57, at Rs. 104.52, was higher by Rs. 8.67 as compared to the average for 1955-56 (Rs. 95.85). During the greater part of the year, spot gold continued to command a premium over forward gold; it ranged upto Rs. 2.87, while the maximum discount was only Re. 0.31, as compared to Rs. 3.62 and Re. 0.62 in 1955-56.

Futures Trading in Bullion.—In contrast to the frequent crises which arose last year, the working of the futures market in Bombay during the year, under the auspices of the Bombay Bullion Association* was smooth. It may be recalled that forward trading had to be suspended twice in 1955-56, first from July 12 to 21 and

* This is the only Association recognised by the Bombay Government under the Bombay Forward Contracts Control Act, 1947, for purposes of futures trading in bullion.

GRAPH 14

BULLION (SPOT) PRICES, WHOLESALE PRICES AND
Index Numbers PRICES OF AGRICULTURAL COMMODITIES



again from early August to October 23, 1955 due to excessive bull activity. Forward trading was resumed, on October 24, 1955, under a new contract under certain amendments made by the Government of Bombay, which were referred to in detail in the last Report. These measures helped to restore smooth trading conditions and tended to narrow down the somewhat wide oscillations in price, which had characterised trading in the previous year. Another indication of the restoration of normalcy was provided by the narrowing of the *budla* (carry-over) charges and the emergence in the latter half of the year of *sidha budla* (contango), which is a normal feature of a futures market, but which in the bullion market has been conspicuously absent not infrequently.

During the year, automatic margins based on price variations were payable in two settlements in gold, one of which was on account of an increase in price. In silver, margins under this bye-law were imposed in three settlements, two of which were because of price declines. Margins which become payable when carry-over charges exceed specified limits, came into operation twice in the case of gold and only once in the case of silver. Special clearings designed to ensure prompt payment of differences when fluctuations become excessive came into force in three settlements during the year, all in silver.

The volume of futures business during the year aggregated 52.9 million tola in gold and 2.3 million bars in silver. These figures compare with a turnover of 48 million tolas in gold and 1.4 million bars in silver for the nine months of 1955-56 during which period forward trading was permitted on the exchange.

VII. PUBLIC FINANCE

General.—Budgetary trends and policies in India have for some time past been governed primarily by the objective of promoting rapid economic development which has been given concrete shape through the Five Year Plans. The development outlay in the public sector has been showing a continuous rise; non-development expenditure has also been rising, though not so fast. The resources for implementing the Plan outlays have fallen short of the requirements, with the result that there has been increasing recourse to deficit financing, which has inevitably led to strains on the economy. In these circumstances Government's efforts have been primarily directed to mobilisation of larger resources.

In pursuance of the objective of maximisation of resources, new tax measures were introduced by the Central Government during the course of the year 1956-57, including the revival of capital gains tax, the yield from these being estimated around Rs. 40 crores in a whole year. Again, in the budget for 1957-58, far reaching tax proposals have been made, which will both deepen and widen the tax base. The tax proposals include in particular a wealth tax and an expenditure tax. They seek to develop a system of internal checks and balances which should reduce the chances of evasion. They are also intended to provide incentives for larger earnings and more savings, make tax yields progressively more responsive to increased incomes and also to achieve certain essential social objectives of policy. These proposals (other than the expenditure tax which is to come into force in 1958-59) are expected to yield about Rs. 100 crores in a whole year. So far as the State Governments are concerned, the tax effort hitherto has been smaller than what was visualised at the time the Second Plan was framed. In the 1957-58 budget, a majority of States have not made any tax proposals.

The revised estimate of the Plan outlay in 1956-57 is placed at Rs. 761 crores as compared to an outlay of about Rs. 800 crores originally envisaged; in 1955-56 the outlay is estimated to have been of the order of Rs. 625 crores. Corresponding to the rise in outlay, the budgetary deficit in 1956-57 has also been larger. In estimating budgetary deficit, it is more meaningful to consider the Centre and States together rather than separately, in view of the substantial amount of transfer of resources from the Centre to the States. The overall budgetary deficit is normally measured by the aggregate of the increase in Government's floating debt held by the Reserve Bank and the ways and means advances by the Bank to Government (now only State Governments), with appropriate adjustment for variations in Government's cash balances. This concept of budgetary deficit is mainly adopted with reference to the criterion of its expansionary impact on money supply with the public. This definition is a reasonably reliable measure of budgetary deficit on the assumption that the normal practice for Government is not to rely on the Reserve Bank for subscription to issues of Government loans, and that changes in the security portfolio of the Reserve Bank are governed primarily by considerations of monetary

policy. During 1956-57, so far as the Central Government is concerned, the Reserve Bank's holding of *ad hoc* Treasury bills increased by Rs. 226 crores, while at the same time Government's cash balances went up by Rs. 59 crores, with the result that the net deficit of the Central Government was Rs. 167 crores as compared to Rs. 169 crores in 1955-56. As regards State Governments, there was an aggregate deficit of Rs. 86 crores during 1956-57 as against a surplus of Rs. 12 crores in 1955-56 ; their cash balances decreased by Rs. 80 crores and in addition they resorted to ways and means advances from the Reserve Bank for a total of Rs. 6 crores. As mentioned earlier, however, what is significant is the total deficit in the Government sector, which for 1956-57 amounted to Rs. 253 crores as against Rs. 157 crores in 1955-56. The 1956-57 figure would, however, be somewhat of an under-estimate in view of the fact that the increase in the Reserve Bank's portfolio of Government securities, other than *ad hoc* Treasury bills, was a little over Rs. 50 crores, only a part of which was acquired in the course of the Bank's open market operations.

For the year 1957-58, the Plan outlay is estimated to be around Rs. 900 crores. The deficit of the Central Government is estimated at Rs. 280 crores. As regards State Governments, the position is not clear, as not all States have yet presented their final budgets. The interim budgets disclosed a substantial revenue deficit of Rs. 90 crores and there were no tax proposals. The final budgets also show a substantial deficit on revenue account and only five out of the twelve States which have issued their budgets have some tax proposals, which are estimated to yield a total of Rs. 8 crores. Thus, it is clear that the aggregate deficit of the Centre and States will be higher than in 1956-57. The need for mobilising additional resources through taxation and non-inflationary borrowing, therefore, continues to be paramount. In this connection it may be mentioned that Government recently announced higher yields on small savings.

A. BUDGETS

Union Government

Revenue Account

General.—The trends in revenue and expenditure of the Central Government since 1951-52 are shown in the Table below :

		(Crores of Rupees)							
		1951-52	1952-53	1953-54	1954-55	1955-56	1951-56 Total	1956-57 Revised	1957-58 Budget
Revenue	.. ..	509.5	429.6	409.8	449.9	497.8	2296.6	561.8	622.6
Expenditure	.. ..	381.4	390.7	401.3	416.4	457.3	2047.1	523.9	(700.4)*
Surplus (+) or Deficit (—)	.. ..	+128.1	+ 38.9	+ 8.5	+ 33.5	+ 40.5	+ 249.5	+ 37.9	33.1 (: 44.7)*

* Figures in brackets indicate the position after taking credit for tax changes announced on the budget day. Subsequently some modifications were announced which would reduce the revenue and the surplus by Rs. 5.05 crores.

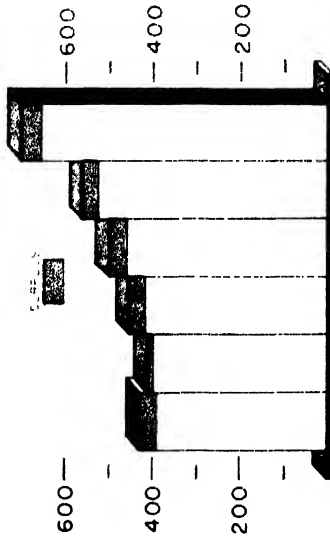
1955-56 (Accounts)—The accounts for 1955-56 showed a much larger surplus of Rs. 40.5 crores as compared to the surplus of Rs. 12.3 crores in the revised estimates; revenue increased by Rs. 3 crores while expenditure was lower by Rs. 25 crores, the decline in expenditure being mainly under development services (Rs. 15 crores) and defence (Rs. 13 crores).

1956-57 (Revised Estimates)—The revised estimates for 1956-57 reveal a surplus of Rs. 37.9 crores as against the budgeted deficit of Rs. 18.0 crores; the improvement has been due to an increase in the revenue of Rs. 44 crores and a reduction in expenditure of Rs. 12 crores. The improved revenue position is largely due to better collections under Customs and Union excise duties, the increase in the latter representing, in the main, the yield of the additional duty on cotton cloth imposed during the year.

In addition to the tax levies as part of the regular budget of February 1956, which in the aggregate were expected to yield Rs. 35 crores, some tax changes were made during the course of the year. In September 1956, excise duties on cloth were increased by 1½ annas per square yard on super fine cloth, 1¼ annas per square yard on fine cloth, one anna per square yard on medium cloth and half anna per square yard on coarse cloth (excluding dhoties and sarces), the additional revenue during 1956-57 being estimated at Rs. 17.5 crores. On November 30, 1956, the Union Finance Minister presented to the Lok Sabha a supplementary budget,* which incorporated a capital gains tax, increased rates of super-tax on Section 23-A non-investment companies, higher import and excise duties on selected articles, enhanced stamp duties on bills of exchange and a provision for control over the depreciation and other reserves of companies. The proposals, which are estimated to yield Rs. 16 crores in a whole year, have been briefly referred to below: (1) Capital gains tax, which was earlier in operation for two years in respect of capital gains which arose during the period April 1, 1946 to March 31, 1948, was revived with a few modifications and made applicable to capital gains arising on or after April 1, 1956. The tax will be computed, at the option of the assessee, on the basis of fair market value of the asset as on January 1, 1954 or on the original cost. Exemption is given in the case of individual assesseees where capital gains do not exceed Rs. 5,000 or the total income including capital gains does not exceed Rs. 10,000. As regards residential property, where a person or his parents have occupied it at least for two years and if it is sold to acquire a new residential house, no tax is payable. Further, if the total house property of a person does not exceed Rs. 50,000 and if he sells one of his properties for a sum not exceeding Rs. 25,000, no tax is payable on the gains resulting from such sale. The rate of the tax will be the income-tax rate applicable to the other income plus one-third of the capital gains. In the case of companies the full amount of capital gains is taxed at the ordinary income-tax rate applicable to a company. (2) The rates of excess dividend tax on companies were raised for dividends between 10 per cent and 18 per cent of the paid-up capital by one anna to

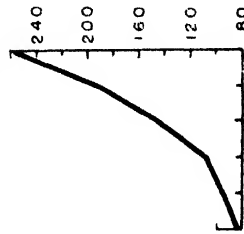
* For details see December 1956 issue of the Reserve Bank of India Bulletin.

FINANCES OF THE GOVERNMENT OF INDIA (REVENUE ACCOUNT) Crores of Rupees

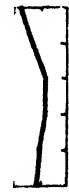


REVENUE

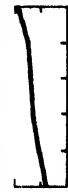
UNION EXCISE DUTIES



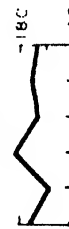
CORPORATION TAX



NET CONTRIBUTIONS
OF PUBLIC UNDERTAKINGS



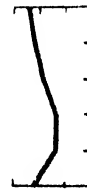
CUSTOMS



OTHER TAX REVENUE



TAXES ON INCOME OTHER THAN
CORPORATION TAX



OTHER REVENUE

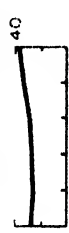


EXPENDITURE

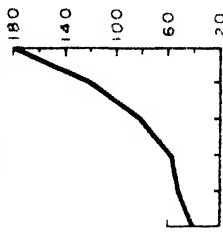
CIVIL ADMINISTRATION



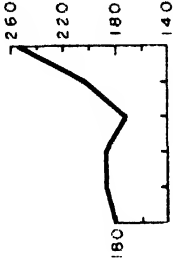
DIRECT DEMANDS ON REVENUE



DEVELOPMENT SERVICES



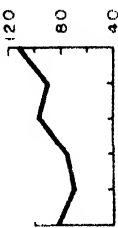
DEFENCE SERVICES



DEBT SERVICES



OTHER EXPENDITURE



4 annas, and for dividends over 18 per cent by 3 annas to 6 annas. (3) The rates of additional super-tax payable by Section 23A† companies, where less than 60 per cent of the profit are distributed, were raised in the case of the non-investment companies from 4 annas to 6 annas; at the same time the prescribed minimum percentage distribution for companies engaged in industrial activity was reduced from 60 to 50 per cent. (4) Customs duties were raised on a number of commodities, including wines and spirits, motor cycles, scooters, watches, coal tar dyes, artificial silk yarn etc. The actual yield as a result of these increases, taking into account a likely reduction in the volume of imports, was placed at Rs. 6 crores annually. (5) Excise duties were also raised on art silk yarn, the more expensive motor cars etc., and the proposals under this head were expected to yield Rs. 70 lakhs per year. (6) The statutory rate of stamp duties on bills of exchange upto one year's maturity was raised from the flat rate of two annas per Rs. 1,000 to Rs. 10 per Rs. 1,000, with proportionate reduction for bills of shorter duration; however, the actual rate made applicable, with effect from February 1, 1957, was one-half of the maximum rate proposed. The additional revenue realised from this measure was to accrue to the States.

The proposal to control depreciation and other reserves of companies is not a taxation measure; it is intended to prevent misuse of these reserves. It has been proposed that depreciation allowances and development rebates, which are normally deducted for purposes of computation of profits, would not be treated as items of expenditure, unless the companies (other than banks)* deposit with the Central Government or the Reserve Bank of India a prescribed amount depending on its undistributed profits and reserves. The amount to be so deposited will consist of two parts, viz., (i) a certain percentage (not exceeding 75) of the amount by which retained profits of the previous year available before deduction of depreciation and development rebate but after deduction of income and super-tax payable and dividend declared exceeds Rs. 1 lakh, and (ii) a prescribed percentage (not exceeding 25) of accumulated profits and reserves which are not represented by fixed assets in the business. The actual percentages will be announced by the Central Government from time to time. For the present it is proposed to fix the percentage under (i) above at 50 per cent of the current profits. The deposits will carry interest at rates prescribed by Government and will be refundable for business uses for purposes approved by Government.

1957-58 (Budget Estimates).—The budget estimates for 1957-58 place expenditure‡ at Rs. 618 crores as compared to Rs. 524 crores in 1956-57 (R.E.) and revenue † (at existing level of taxation) at Rs. 585 crores as compared to Rs. 562

† Section 23A of the Income-Tax Act applies to all companies in which the public are not substantially interested and it also lays down the manner in which the tax liability of such companies and their shareholders is to be determined.

‡ Excluding self-balancing items, viz., Steel Equalisation Fund, and the element of grant in the assistance from the U.S.A., which appear in both revenue and expenditure.

* Some other categories of companies have since been exempted from the current profits deposit scheme, eg., electricity and shipping companies.

crores in 1956-57, leaving a deficit of Rs. 33 crores. The increase in revenue would be mainly under Union excise duties, which are estimated to increase from Rs. 188 crores in 1956-57 to Rs. 209 crores in 1957-58. The increase in expenditure would be largely accounted for by development services (Rs. 57 crores) and defence (Rs. 50 crores).

To cover the deficit, tax proposals involving changes in both direct and indirect taxation were announced, estimated to yield an additional revenue of Rs. 93 crores during the year, of which Rs. 15 crores would be distributed among the States. About Rs. 78 crores. @ would accrue to the Central budget converting the revenue deficit of Rs. 33 crores into a surplus of about Rs. 45 crores. @ The various tax proposals contained in the budget, which are intended to render the tax structure more progressive and equitable, will have a far-reaching effect. Special mention may be made of two new taxes, namely the taxes on wealth and expenditure which have been introduced for the first time. The tax proposals have been described in some detail below.* It may be added here that these tax measures, though introduced in Parliament in May 1957, were due for consideration and approval of Parliament in the session beginning in July 1957.

(a) **Changes in Central Excise Duties.**—These include increase in the rates on sugar from Rs. 5.62 to Rs. 11.25 per cwt., on cement from Rs. 5 to Rs. 20 per ton, on steel ingots from Rs. 4 to Rs. 40 per ton; besides, there were increases in respect of matches, paper, unmanufactured tobacco, coffee, tea, vegetable non-essential oils, motor spirit, diesel oil, refined diesel oil and kerosene (*vide* Table below). The increases in Central excise duties would in the aggregate yield Rs. 60.8 crores in a full year and Rs. 53.2 crores during 1957-58, of which Rs. 4.2 crores will be distributed among the States.

Proposed Changes in Central Excise Duties

Name of the commodity	Existing rate of duty	Proposed rate of duty	Estimated additional yield in a full year (Rs. crores)
(1) Sugar	Rs. 5.62 per cwt.	Rs. 11.25 per cwt.	18.55
(2) Cement	Rs. 5 per ton	Rs. 20 per ton	6.70
(3) Steel Ingots	Rs. 4 per ton	Rs. 40 per ton	5.70
(4) Tea:			
(i) Loose tea	6.25 nP. per lb.	10 nP per lb.	2.45
(ii) Package tea converted from duty paid loose tea	18.75 nP per lb.	35 nP per lb.	
(iii) Package tea	25 nP per lb.	45 nP per lb.	
(5) Coffee	18.75 nP per lb.	35 nP per lb.	0.80

@ Subsequently some modifications were announced which would reduce these figures by about Rs. 5 crores.

* For fuller details, see June 1957 issue of the Reserve Bank of India Bulletin.

Name of the commodity	Existing rate of duty	Proposed rate of duty	Estimated additional yield in a full year (Rs. crores)
(6) Unmanufactured Tobacco;			
(i) not fluecured and used in cigarettes, pipes, etc.	56 nP per lb.	75 nP per lb.	6.15
(ii) Not fluecured and not used in cigarettes, mixtures for pipes, etc. and cured in whole leaf form and packed or tied in bundles ..	37 nP per lb.	50 nP per lb.	
(iii) Other than fluecured and not specified ..	87 nP per lb.	100 nP per lb.	
(7) Matches—The existing duties to be raised so as to permit sale of match boxes at 6 nP and 4 nP per match box of 60's and 40's respectively ..			6.20
(8) Paper— an increase in the existing duty on various types of paper ..			2.00
(9) Vegetable non-essential oils ..	Rs. 70 per ton	Rs. 112 per ton	3.15
(10) Kerosene	18.75 nP per l.G.	20 nP per l.G.	0.20
(11) Motor spirit	98 nP per l.G.	125 nP per l.G.	6.65
(12) Diesel Oil	Rs. 30 per ton	Rs. 40 per ton	0.35
(13) Refined diesel oil	25 nP per l.G.	40 nP per l.G.	1.90
Total estimated additional yield from proposed changes in excise duties in a full year ..			60.80*

*Less Rs. 3.45 crores due to withdrawal of proposed changes in excise duties on tea, coffee and kerosene

(h) **Changes in Income-Tax.**—These include (1) a change in the procedure of differentiation between earned and un-earned income whereby a standard schedule of rates will be applied to all earned income with a higher surcharge on unearned income. The highest marginal rate will be reduced from 91.8 per cent to 84 per cent for unearned income and 77 per cent for earned income; (2) reduction of the taxable minimum from Rs. 4,200 to Rs. 3,000 for individuals and from Rs. 8,400 to Rs. 6,000 for Hindu undivided families. The tax free slab for married persons has been increased from Rs. 2,000 to Rs. 3,000; (3) the rate of income-tax for companies has been raised from 4 as. in the rupee (25 per cent) to 30 per cent and the Corporation tax from 2 as. 9 ps. (17 per cent) to 20 per cent; (4) the excess dividend tax has been reduced to 10 per cent (from 12½ per cent) on distribution of dividends between 6 per cent and 10 per cent of paid-up capital, to 20 per cent (from 25 per cent) on dividends between 10 per cent and 18 per cent and, on dividends over 18 per cent to 30 per cent (from 37½ per cent); (5) the tax on bonus shares has been raised from 12.5 per cent to 30 per cent; (6) the super-tax rates on intercorporate dividends have been reduced to 10 per cent from 17 per cent for Indian companies and 20 per cent for foreign companies; (7) for foreign companies operating through

branches and earning other incomes, the rate of corporation tax is reduced from 36 per cent to 30 per cent; (8) for section 23-A industrial companies, the percentage of minimum profits to be distributed has been reduced to 45 per cent from 50 per cent. In cases where accumulated profits and reserves are equal to the paid-up capital or the value of fixed assets, the minimum percentage to be distributed has also been reduced from 100 per cent to 45 per cent for industrial companies and 90 per cent for others; (9) a few minor changes have also been made such as the exemption from income-tax of employer's contribution to a recognised provident fund, and the increase (from one-fifth to one-fourth) in the percentage of income that will qualify for rebate of income-tax if saved in provident fund and insurance, subject to the existing maximum of Rs. 8,000. The net effect of all these changes, together with an additional Rs. 5 crores expected to accrue from reduced tax evasion as a result of the new tax measures, would be to increase the revenue by Rs. 10 crores, of which Rs. 3 crores would devolve to the States.

(c) **Tax on Wealth.**—A new tax on wealth is to be imposed on the net wealth of individuals, Hindu undivided families and companies. In the case of individuals, values upto Rs. 2 lakhs and in the case of Hindu undivided families upto Rs. 3 lakhs will be exempted. It is roughly estimated that there will be about 36,000 assesseees comprising 26,000 individuals, 4,000 Hindu undivided families and 6,000 companies. In respect of wealth exceeding these amounts, the rate will be $\frac{1}{2}$ per cent for the first Rs. 10 lakhs, 1 per cent for the next Rs. 10 lakhs and $1\frac{1}{2}$ per cent on the balance. In the case of companies, there will be no tax on assets upto a value of Rs. 5 lakhs; on values beyond that limit the rate will be $\frac{1}{2}$ per cent. The Wealth Tax Bill allows complete exemption in the case of certain types of properties such as agricultural properties, properties of charitable trusts, personal effects and balances in recognised provident funds and insurance policies. It also provides that in computing the net wealth of an individual who is not a citizen of India on the valuation date or of a company not resident in India during the year ending the valuation date, the value of assets and debts located outside India will not be taken into account. The yield from this tax is estimated at Rs. 15 crores.

(d) **Expenditure Tax.**—This tax will be levied on individuals and Hindu undivided families whose income for income-tax purposes is not less than Rs. 60,000. The Expenditure Tax Bill provides for various exemptions and deductions and provision has been made for a basic allowance of Rs. 24,000 for an assessee and his wife and Rs. 5,000 for each dependent child. The rate of tax will be based on a slab system, rising from 10 per cent on expenditure in excess of the allowances as above up to Rs. 10,000 to 100 per cent on such excess expenditure above Rs. 50,000. It has been estimated that about 6,000 assesseees will pay the expenditure tax when it becomes effective from the fiscal year 1958-59.

(e) **Other Tax Proposals.**—Other tax proposals included (a) small increases in the rates of customs duty over a wide range covering about 90 items, which will

yield an additional revenue of Rs. 6 crores, (b) a tax on rail passengers of 5 per cent for distances upto 30 miles, 15 per cent for distances between 31 and 500 miles and 10 per cent for longer distances, the proceeds of which amounting to Rs. 8 crores during the current year and Rs. 14 crores in a full year will go to the States, and (c) a small increase in the post and telegraph rates on postcards, parcels, telegrams etc. estimated to yield an additional amount of Rs. 0.85 crore.

Subsequent Modifications in Tax Proposals.—Some modifications were made in the tax proposals subsequent to their announcement on May 15. On May 18, the increased import duty on newsprint and kerosene and the enhanced excise duty on kerosene were restored to their previous levels. On May 31, further changes were announced, which were as follows: (1) the additional excise duties on tea and coffee were withdrawn, (2) the increases in the charges on postcards and parcels were also withdrawn, but the rate for inland letters was raised from 13 to 15 naye paise, (3) the first fifteen miles of railway travel were exempted from the tax on railway passenger fares, (4) a children's allowance of Rs. 300 per child, with a maximum of Rs. 600 will be permitted in the computation of income-tax. However, this allowance, it has been announced, will not be admissible to persons with income over Rs. 20,000; the marriage allowance in their case was also to be withdrawn, (5) exemption from wealth tax is to be given for the first five years on the value of the assets pertaining to an industrial undertaking of a new company. These changes would cost the exchequer about Rs. 6 crores in a full year and Rs. 5 crores during 1957-58.

Capital Account

The capital account shows a deficit of Rs. 67 crores in 1955-56, a small surplus of Rs. 9 crores in 1956-57 (R. E.) and a deficit of Rs. 44 crores in 1957-58. These figures are inclusive of net receipts under Treasury bills. Excluding these, all the three years show large deficits amounting to Rs. 190 crores in 1955-56, Rs. 261 crores in 1956-57 and Rs. 319 crores in 1957-58. The actual net increase in Treasury bills during 1956-57 was Rs. 240 crores, as against the revised estimate of Rs. 270 crores and to that extent the deficit would be smaller. In a developing economy, as may be expected, these deficits have been largely due to the stepping up of capital outlay and assistance to States. Capital outlay (excluding State Trading Schemes) has increased from Rs. 157 crores in 1955-56 to Rs. 284 crores in 1956-57 and has been estimated at Rs. 407 crores in 1957-58 (excluding a formal adjusting item of Rs. 95 crores in respect of loan assistance from the U.S.A.). The increase in capital outlay is mainly under industrial development and railways. Loans to States have in recent years averaged to about Rs. 240 crores a year as compared to Rs. 60 crores in 1950-51.

Capital receipts for 1957-58 are estimated at Rs. 852 crores, inclusive of internal borrowings of Rs. 100 crores (*net* borrowings would be Rs. 68 crores), Rs. 80 crores from small savings (*net*), and foreign assistance of Rs. 150 crores, inclusive of

foreign loans of Rs. 36 crores from the U.S.S.R. for the Bhilai Steel Project, and Rs. 73 crores from the U.S.A.

State Governments :

Revenue Account

1957-58 (Budget Estimates)—The interim budget estimates* of the States for 1957-58 placed revenue at Rs. 639 crores and expenditure at Rs. 730 crores, thus showing revenue deficit of Rs. 91 crores. These may be compared with revenue of Rs. 596 crores, expenditure of Rs. 673 crores and a deficit of Rs. 77 crores in the budget estimates for 1956-57.† All the State budgets showed revenue deficits for 1957-58.

Of the 13 States, twelve‡ had presented their final budgets by mid-July 1957, all the budgets showing revenue deficits *at existing levels of taxation*. Only five States have made provision for additional taxation (including levy of Central sales tax), yielding in the aggregate about Rs. 8 crores. Besides these, another Rs. 4 crores are estimated from the imposition of uniform tax rates to integrating areas in Kerala, Madhya Pradesh, Mysore and Punjab. The details of the proposed tax measures are given below. After tax proposals, only Kerala shows a (nominal) surplus of Rs. 7 lakhs. The Bihar State shows the largest revenue deficit, viz. Rs. 25 crores, as compared to a deficit of Rs. 20 crores in the budget estimates for 1956-57.

The tax proposals are as follows:

	Estimated Yield (Rs. in lakhs)									
Rajasthan										
Agricultural Income-tax	2
State Excise :—										
Increase in Excise duty on wine, opium and other intoxicating articles								15
Taxes on motor vehicles	10
Entertainment tax	3
Sales Tax :—										
Inter-State Sales tax ; application of Rajasthan Sales tax laws to Ajmer, Abu and Sunel areas ; changes in rates and reduction in the number of tax-exempted articles	50
Irrigation levy	5
Betterment tax	20
										<hr/> 105

Punjab

Increase in the tax rate on Motor Spirits from 3 annas per gallon to 4 annas per gallon	..	..	..	..	..	..	..	..	..
Increase in the tax on passengers carried by motor vehicles from 1½ pies to 2 pies per anna value of the fare	..	..	..	..	..	..	..	..	..

*For Bihar, final budget figures have been used.

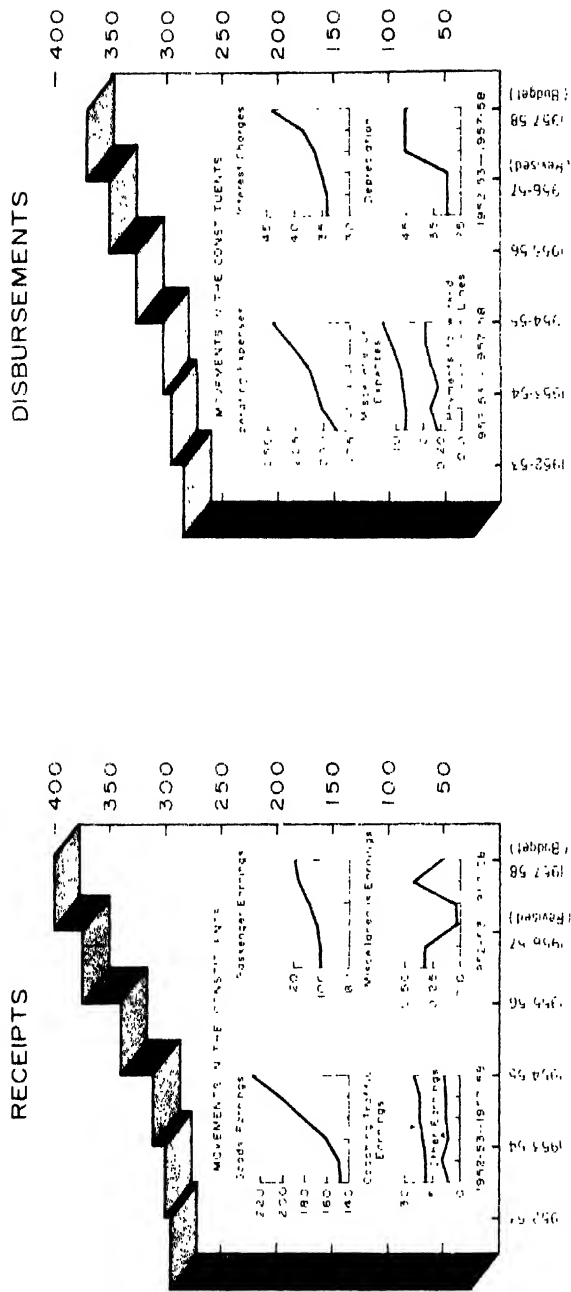
†All States excepting Delhi and Himachal Pradesh which are now Union territories.

‡All States excepting Uttar Pradesh.

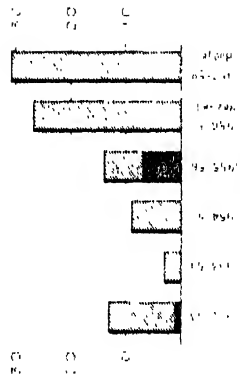
GRAPH 16

RAILWAY FINANCES 1952-53 to 1957-58

(Crores of Rupees)



ALLOCATION OF SURPLUS



Estimated Yield
(Rs. in lakhs)

50 per cent increase in the present lump sum rates of tax chargeable per annum from public carriers .. .. .	..
Levy of a toll of Rs. 2 per vehicle, both laden and unladen, crossing bridges in the State costing Rs. 5 lakh or over with no exemptions except in the case of officers employed on the construction of the bridge. .. .. .	..
Levy of a cess on commercial crops, viz., cotton, groundnuts, chillies and gur ..	..
Cess on cotton and groundnuts at the rate of Re. 1 per Rs. 100 worth of produce marketed; Cess on gur at the rate of Rs. 2 per cent on the sale price of gur brought to the market; .. .. .	..
Cess on chillies on the matured area of crop at the rates varying from Rs. 2 to Rs. 4 per acre. No cess will be levied on matured area upto one canal. On the export of dry chillies, the cess will be at the rate of Rs. 2 per maund .. .. .	..
Increase in the court-fee rates, which are generally the lowest in India, by 30 per cent.	..

98

Bring at par with the Punjab the tax on possession and sale of manufactured tobacco in the erstwhile territory of P.T.S.U. .. .. .	..
Extension of the existing Urban Immovable Property Tax and Forward Contracts Tax to the erstwhile P.T.S.U. areas .. .. .	..
Apply Punjab Land Revenue Surcharge Act to erstwhile P.T.S.U. areas along with special surcharges in the form of Agricultural Income-tax .. .. .	..

8

Later the Finance Minister said that the bridges over the national highway (Grand Trunk Road) and the Nangal Bridge would be exempted from toll tax. The proposed tax at the rate of Rs. 2 per motor driven vehicle would be charged in respect of only four bridges in the State .. .. .	..
He also announced the reduction by half in the proposed cess of Re. 1 per maund on groundnuts and the withdrawal of cess on mature crops and on the export of chillies. The cess on chillies at the rate of Rs. 2 per maund would now be levied only on the marketed produce of this cash crop .. .. .	..

Bihar

A levy of education cess of one anna per rupee or 6.25 per cent on land revenue in rural areas and a corresponding levy in the urban areas	100
Introduction of multi-point cum single-point sales tax in place of the existing single-point sales tax	100
A betterment levy on land benefited by irrigation, drainage or flood-control schemes.	25
	<hr/>
Full year ..	225
Current year ..	175
	<hr/>
Inter-State sales tax authorised by the Union Government Full year ..	150
do. do. do. do. do. Current year ..	100
	<hr/>
Total estimated yield from additional taxation in the current year	275

Kerala

A tax on agricultural wealth at the same rates as the wealth tax levied by the Centre. ..	17
Enhanced rates of super-tax ranging from one anna on agricultural income exceeding Rs. 25,000 to four annas on incomes over Rs. 50 lakhs ..	65
Unification of land revenue systems existing in the old Travancore-Cochin State and the Malabar district and extension of basic and agricultural income-tax to Malabar	99

Estimated Yield
(Rs. in lakhs)

A surcharge of 5 per cent on agricultural income-tax and super-tax ; a surcharge of 20 per cent on sales of traders with turnover of Rs. 30,000 or over and a surcharge of 5 per cent on profession tax of those with an income of Rs. 250 or over per month; education cess now levied in Malabar to be withdrawn	13
Unification of sales tax in the two integrating units of Kerala (T.C. and Malabar) . .	20
Extension of the tax on travellers and parcels in buses now existing in the Malabar area to the T.C. area and the imposition of uniform rate of Motor Vehicles tax. .	20
	<hr/> 233 <hr/>

Madras

Enhancement in the rate of sales tax levy from the present 19.16 per cent to 2 per cent, reduction of sales tax on food grains to one per cent and exemption of books from sales tax	170
	current year. 125
Raising of the rates of agricultural income-tax on plantations with incomes above Rs. 5,000 by 5 percentage points in all the slabs of income	25
	full year. 195
	current year. 150

Capital Account

The interim budget estimates* for 1957-58 placed the capital expenditure of the States at Rs. 297 crores and their gross loans and advances at Rs. 89 crores, as compared to Rs. 316 crores and Rs. 97 crores, respectively, in 1956-57 (B. E.). The 1957-58 figures are lower because in the interim budget only works already approved were included.

Railway Budget

The financial position of the railways has shown a steady improvement in recent years. Traffic receipts (excluding freight on railway materials) have increased from Rs. 247 crores in 1950-51 to Rs. 350 crores in 1956-57 and are expected to rise further to Rs. 378 crores in 1957-58, taking into account the proposal to enhance the supplementary charge on goods traffic from 6½ to 12½ per cent. Ordinary working expenses (excluding freight on railway materials) increased from Rs. 165 crores in 1950-51 to Rs. 229 crores in 1956-57 and are estimated at Rs. 244 crores in 1957-58. Dividend to general revenues rose from Rs. 33 crores in 1950-51 to Rs. 38 crores in 1956-57 and further to Rs. 44 crores in 1957-58 (budget estimate), reflecting the increase in the capital-at-charge from Rs. 827 crores in 1950-51 to Rs. 1,191 crores in 1957-58. The revenue surplus on the working of the railways (i.e., after payment of dividend to general revenues), which was about Rs. 15 crores in 1950-51, had dropped to Rs. 3 crores in 1953-54; thereafter, there was a gradual increase to Rs. 27 crores in 1956-57 and are estimated at Rs. 31 crores in 1957-58. The increasing surplus enabled the railways to add to their reserve funds, the total balances in Depreciation Reserve, Development and Revenue Reserve Funds increasing from Rs. 157 crores at the end of 1950-51 to Rs. 172 crores at the end of 1956-57; they are estimated to remain at about the same level at the end of 1957-58.

* For Bihar, final budget figures have been used.

1955-56 (Accounts).—With receipts higher by Rs. 2.1 crores at Rs. 316.3 crores over the revised estimates, and expenditure lower by Rs. 2.4 crores at Rs. 266.0 crores, the surplus, after payment of dividend to general revenues, was higher at Rs. 14.2 crores as against Rs. 9.6 crores in the revised estimates; of this, half was allocated to the Development Fund and the rest to the Revenue Reserve Fund.

1956-57 (Revised Estimates).—The revised estimates for 1956-57 show receipts higher than the budget estimates by Rs. 5.4 crores at Rs. 350.4 crores, and expenses higher by Rs. 3.4 crores at Rs. 285.8 crores. The surplus is higher by Rs. 4 crores at Rs. 27.0 crores, the whole of which was appropriated to the Development Fund.

1957-58 (Budget Estimates).—Budget estimates place gross earnings (taking into account the new proposals) at Rs. 378.1 crores, as compared to Rs. 350.4 crores in the revised estimates for 1956-57. The increase is mainly under goods earnings. Working expenses show an increase of Rs. 14.8 crores to Rs. 243.9 crores, mainly under fuel due to the extra coal necessary for the increase in passenger services as well as goods traffic and also the increase in the statutory price of coal. Net revenue is estimated at Rs. 74.6 crores; after payment of Rs. 43.8 crores as dividend to general revenues, the net surplus would amount to Rs. 30.8 crores, which has been earmarked for transfer to the Development Fund.

Since it is proposed to raise the provision for expenditure on the Second Plan for Railways by Rs. 200 crores from the original provision of Rs. 1,125 crores (including current depreciation) on account of the rise in the cost of steel, cement labour, etc., and since there is also the need to raise the targeted carrying capacity of the Railways, the supplementary charge of 6½ per cent on all goods and parcel traffic (excepting certain essential commodities) is proposed to be increased to 12½ per cent, with effect from July 1, 1957. This would yield an additional revenue of Rs. 9.4 crores during the current year and Rs. 12.5 crores in a full year.

Railways and the Plan.—The target of expenditure on railway development under the First Five Year Plan was Rs. 400 crores (including current depreciation of Rs. 150 crores) and the railways exceeded this by Rs. 23.7 crores; the excess of actual over the targeted expenditure was entirely under rolling stock and machinery. According to the original provision for financing the Plan expenditure, the railways were to provide Rs. 320 crores and the Union Government Rs. 80 crores. Actually, of the total outlay, the Centre contributed Rs. 140 crores.

In 1956-57, the revised estimates place expenditure under the Plan at Rs. 178 crores, as against Rs. 193 crores in the budget estimates, the contribution of the Centre to finance this outlay being estimated at Rs. 91 crores. The expenditure for 1957-58 has been placed higher at Rs. 218 crores towards which the Centre is expected to contribute Rs. 124 crores.

B. PUBLIC DEBT

Union Government

General.—Reflecting the growth in outlays on development services, the interest-bearing obligations of the Government of India continued to rise; they rose during 1956-57 by Rs. 364 crores to Rs. 3,676 crores.* Of the total amount outstanding at the end of March 1957, internal obligations accounted for Rs. 3,514 crores and external debt for Rs. 162 crores. Total interest-bearing obligations are estimated to show a rise of Rs. 558 crores to Rs. 4,234 crores by the end of 1957-58, mainly due to the expansion of Rs. 275 crores under floating debt.

The substantial outlay envisaged in the Second Five Year Plan necessitated increased borrowing operations of the Government so as to bring in as large amounts of loan receipts as possible. The technique of market borrowing was re-oriented to cater to a wider range of investor preferences, and instead of a single medium-dated loan as in the preceding year, three loans with varying maturities were issued during 1956-57. These consisted of a short-dated six-year loan maturing in 1962 at $3\frac{1}{2}$ per cent, a medium-dated eleven-year loan maturing in 1967 at $3\frac{1}{2}$ per cent, and a long-term eighteen-year loan maturing in 1974 at $3\frac{3}{4}$ per cent. The issue price was Rs. 98 for the short-dated loan and Rs. 98.50 for the other two issues. A total amount of Rs. 150 crores was fixed for all the three issues, with no separate limits for the individual loans. The subscriptions were to be either in cash or in conversion of the 3 per cent Victory Loan maturing in 1957. Aggregate subscriptions amounted to Rs. 157.7 crores, of which subscriptions in cash were Rs. 77.2 crores. Cash subscriptions were Rs. 30.3 crores for the short-dated loan, Rs. 28.2 crores for the medium-term issue and Rs. 18.7 crores for the long-term loan.

With a view to ensuring continued improvement in net receipts from small savings and in keeping with the rise in interest rates generally, the interest rates on small savings were raised with effect from June 1, 1957. The rate of interest on Post Office Savings Bank accounts was raised from $1\frac{1}{2}$ -2 to 2-2 $\frac{1}{2}$ per cent and a new series of 12-year certificates called the National Plan Savings Certificates with a higher yield of 4.25 per cent were issued in replacement of the 12-year National Savings Certificates and the 10-year National Plan Certificates, which carried a yield of 3.44 per cent and 3.79 per cent, respectively. The yield on Treasury Savings Deposit Certificates was also raised from $3\frac{1}{2}$ per cent to 4 per cent.¹

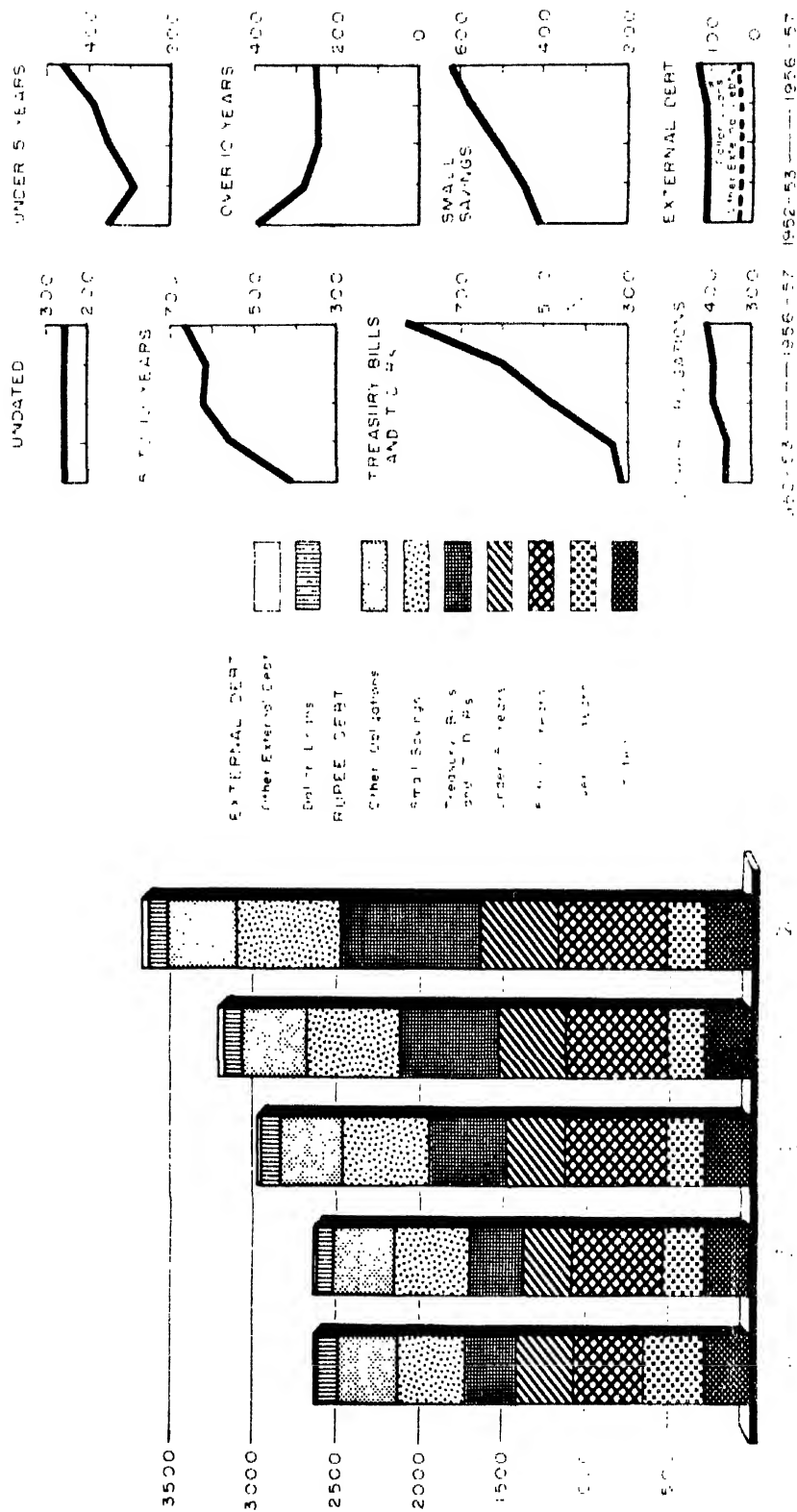
Interest-yielding assets of the Government of India stood at Rs. 2,907 crores at the end of March 1957 or Rs. 439 crores higher than a year before; they formed a little over 75 per cent of the total interest-bearing obligations. There were increases

*Figures given here are based on *revised estimates* for all years. Actuals in respect of certain items are given later.

GRAPH 17

DEBT POSITION OF THE GOVERNMENT OF INDIA (PRELIMINARY)

Crores of Rupees



of Rs. 228 crores in loans to States and others, Rs. 80 crores in investments in commercial concerns, Rs. 99 crores under capital advanced to railways and Rs. 38 crores in capital advanced to commercial departments. Other items showed some negligible declines. Interest-yielding assets are estimated to rise further to Rs. 3,477 crores by the close of 1957-58.

Composition of Debt. At the close of 1956-57, the total rupee debt* of the Government of India amounted to Rs. 3,505 crores, as against Rs. 3,067 crores at the end of 1955-56 or an increase of 14 per cent. Of this, the debt on account of rupee loans, including Rs. 45 crores of the Hyderabad State Loans taken over by the Union Government under the States Reorganisation Act, amounted to Rs. 1,634 crores. While the proportion of rupee loans to total internal debt showed a decline from 49 per cent to 46 per cent during the year, that of Treasury bills rose from 19 per cent to 24 per cent. The proportion of small savings to total domestic debt also declined slightly. External debt increased from Rs. 139 crores to Rs. 161 crores, including Rs. 133 crores of dollar loans and Rs. 7 crores of loans from the U.S.S.R. As regards the maturity pattern of rupee loans†, there was no significant change during the year; while loans under five years‡ of maturity increased during the year from 26 per cent to 28 per cent, the share of long-term loans (over 10 years but excluding undated securities) declined from 16 per cent to 15 per cent and of the medium-term loans (between 5 and 10 years) from 40.9 per cent to 40.7 per cent. With the growth in terminable securities, the share of undated loans has declined from 17.1 per cent to 15.8 per cent.

During 1956-57, outstanding Treasury bills showed a rise of Rs. 240 crores¶ to Rs. 836 crores, as against an increase of Rs. 123 crores in the previous year. Treasury bills held by the Reserve Bank increased during the year by Rs. 226 crores to Rs. 714 crores, and holdings of State Governments and other approved bodies by Rs. 27 crores to Rs. 122 crores. Auction sales of Treasury bills to the public have remained suspended since April 3, 1956.

Small Savings.—Net receipts from small savings, which had shown substantial increases in 1954-55 and 1955-56 recorded a small decline in 1956-57. The revised estimates for 1956-57 place net collections at Rs. 65 crores as compared to Rs. 67 crores for 1955-56 (actuals). Actual figure of net collections in 1956-57 according to the data supplied by the Posts and Telegraphs Department amounts to Rs. 56 crores; in this figure, credit for accrued interest on Post Office Savings Bank accounts for 1956-57 has not been given and it would thus be an under-estimate. The decline in

*Total rupee debt comprises total interest-bearing obligations *minus* deposits and external debt *plus* balance of special floating and expired loans.

†Hyderabad loans are included in the figures as at the end of March 1957, but this does not make any significant change.

‡Classified on the basis of earlier date in the case of two-dated loans.

¶Actual increase based on Reserve Bank data.

net collections was mostly accounted for by Post Office Savings Bank deposits. Net receipts from Treasury Savings Deposit Certificates also recorded a decline. During the year, about Rs. 19 crores from the total collections of small savings were given to the States as loans in accordance with the prescribed formula whereby each State gets 25 per cent of the average net collection in the State for the three years 1953-54 to 1955-56 *plus* 50 per cent of the *excess* over this average. The scheme of sharing small savings collections between the Centre and the States is now being reconsidered. Under the new proposal, the States are to get two-thirds of the net collections, if they do not issue market loans; otherwise, they are to get one-third as their share. The arrangements in this behalf are being finalised in the light of discussions which the Union Finance Minister and the Governor of the Reserve Bank had with the Finance Ministers of State Governments at a meeting in June 1957.

Government Balances and Ways and Means Advances.— During 1956-57, the cash balances of the Central Government with the Reserve Bank of India and at Government Treasuries showed a net increase of Rs. 58.6 crores, as compared to a *decline* of Rs. 38.2 crores in 1955-56.

The Central Government has not resorted to ways and means advances since 1943-44.

State Governments

State Loans.—During 1956-57, 15 States entered the market for loans totalling Rs. 64 crores. All the loans carried interest at 4 per cent with a maturity of 12 years, excepting the Bombay Loan which had a maturity period of 14 years. The Bombay and West Bengal Governments issued the loans at par, as in the preceding year. The issue price of the Madras Loan was Rs. 99.75 while the other loans were issued at Rs. 99.50 and Rs. 99.25. Total subscriptions amounted to Rs. 74 crores, of which Rs. 68.7 crores were allotted, the subscriptions in cash being Rs. 66.5 crores. Net borrowing, taking into account cash repayments of about Rs. 3 crores, totalled Rs. 63.5 crores, as compared to Rs. 48.7 crores raised by 10 States in 1955-56.

Four State Government Loans, viz., the 3 per cent 1956 Loans of Bombay (Rs. 2.97 crores), Madhya Pradesh (Rs. 0.51 crore) and Madras (Rs. 1.25 crores), and the $3\frac{1}{2}$ per cent Travancore Government Loan 1956 (Rs. 0.50 crore) were repaid on maturity during the year.

Balances and Ways and Means Advances.—The average month-end cash balance of the State Governments with the Reserve Bank and at Government Treasuries at (Rs. 17.6 crores) was less than that in 1955-56 (Rs. 24.4 crores); the balance at the end of 1956-57 (Rs. 11.6 crores) was also lower by Rs. 79.8 crores as compared to a year before.

During 1956-57, the States resorted to ways and means advances from the Reserve Bank for an aggregate gross amount of Rs. 50.77 crores, of which Rs. 44.72 crores were repaid during the year. By far the major part of the advances was accounted for by Madras (Rs. 20 crores), Bihar (Rs. 8.8 crores) and Andhra and Uttar Pradesh (Rs. 5 crores each). The highest gross amount of advances (Rs. 9.4 crores) was taken in March 1957. At the end of the year, advances outstanding amounted to Rs. 6.05 crores as against 'nil' at the end of 1955-56.

VIII. BALANCE OF PAYMENTS

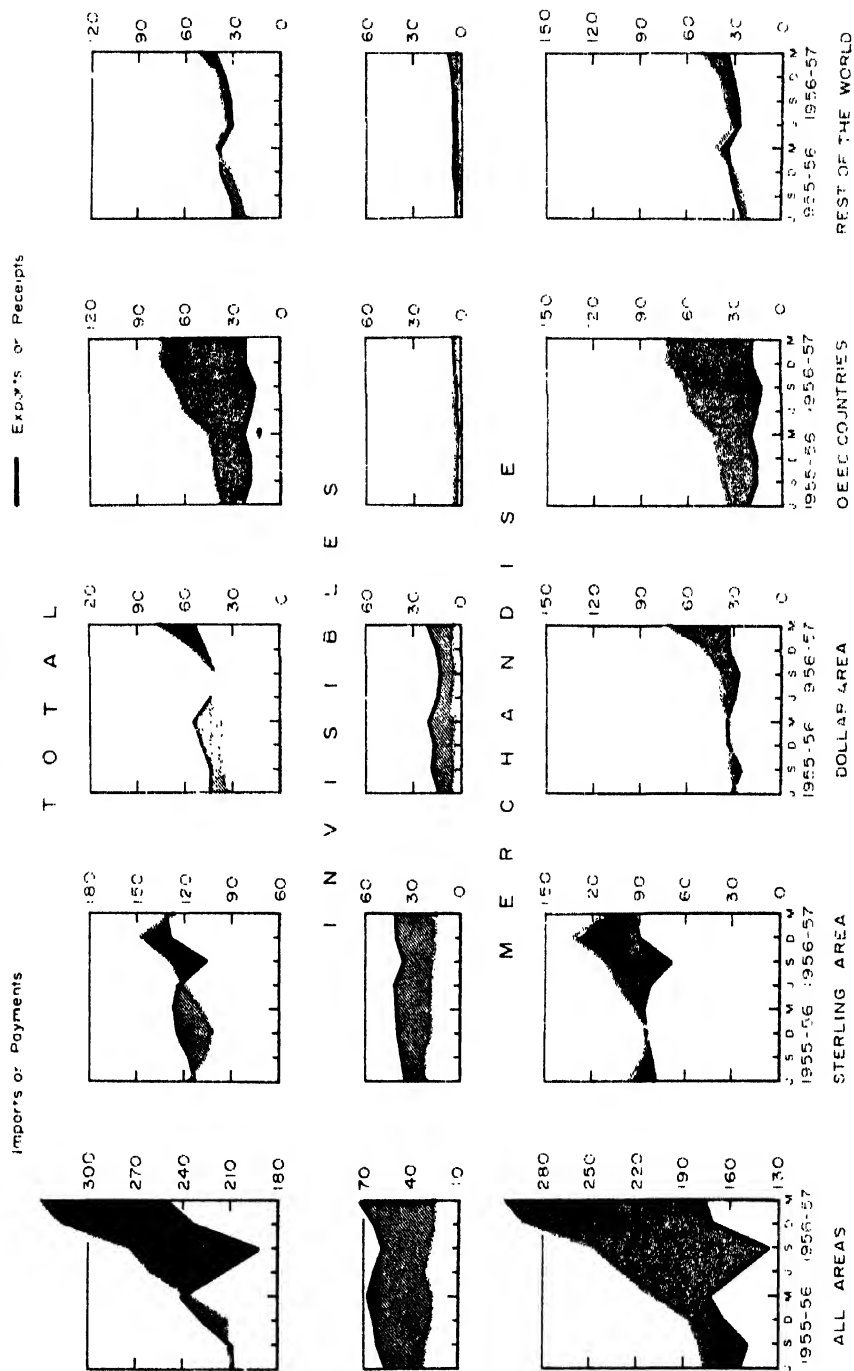
General.—The impact of the rising tempo of developmental activity in the Indian economy during the year under review was felt most severely on balance of payments. Throughout the greater part of the First Plan there had been a recurring current account surplus in the balance of payments; this was sharply reversed during 1956-57 with the emergence of an overall current account deficit of Rs. 292.5 crores and a draft of Rs. 219 crores on the country's foreign exchange reserves. This was mainly due to the large increase in imports, particularly of capital goods, resulting from a sharp increase in the rate of investment. The level of investment in the public sector was appreciably higher than before and was accompanied by a general feeling of optimism and consequently larger investment also in the private sector. The foreign counterpart of the investment expenditure was met partly through long-term government borrowing and foreign grants but largely through the drawing down of reserves. Sterling balances fell by Rs. 219 crores during the fiscal year 1956-57, from Rs. 748 crores to Rs. 529 crores. In addition to this, a credit of Rs. 55 crores (Rs. 61 crores obtained in March 1957 less Rs. 6 crores repaid in April 1956) was obtained from the International Monetary Fund and fully utilised during the period.

Overall Position.—The principal features of the payments situation are brought out in the table below.

India's Overall Balance of Payments

		(Crores of Rupees)					
		April- June 1956	July- Sept. 1956	Oct.- Dec. 1956	Jan.- March 1957	1956-57 April- March	1955-56 April- March
1.	Imports c.i.f.						
	(a) Private	196.1	195.5	209.6	194.7	795.9	611.7
	(b) Government	34.1	51.1	84.4	111.0	280.6	138.9
	Total	230.2	246.6	294.0	305.7	1,076.5	750.6
2.	Exports f.o.b.	153.5	134.8	171.5	177.2	637.0	641.1
3.	Trade Balance	- 76.7	-111.8	-122.5	-128.5	-439.5	109.5
4.	Official Donations .. +	9.6	8.3	7.6	14.3	39.8	42.0
5.	Other Invisibles (Net) .. +	22.6	22.1	30.1	32.4	107.2	84.4
6.	Current Account (Net) .. -	44.5	81.4	84.8	81.8	292.5	16.9
7.	Errors and Omissions .. -	7.1	17.7	2.2	17.4	4.6	5.3
8.	Official Loans +	4.6	3.3	10.9	37.6	56.4	6.5
9.	Other Capital Transactions (Net)	13.2	8.9	15.6	59.4	21.7	3.1
Movement in Reserves							
Increase (+), Decrease (-)		60.2	69.3	87.3	2.2	219.0	15.0

The current account deficit of Rs. 292.5 crores in 1956-57 stands in sharp contrast to the surplus of Rs. 17 crores during the year 1955-56. The deficit



was spread over all the four quarters; it rose from Rs. 44.5 crores in April-June 1956 to Rs. 81.4 crores in July-September 1956 and during the remaining two quarters remained at a somewhat higher level despite a favourable shift in the terms of trade and an appreciable increase in invisible receipts and the quantum of foreign assistance. Export earnings were only a trifle below the high level reached in 1955-56. The pressure on the balance of payments was thus clearly ascribable to imports.

Region-wise, the deficit was distributed over all the principal areas but was mainly concentrated in transactions with the OEEC countries. Imports from all areas increased, the largest increases being associated with the OEEC countries (Rs. 110 crores) and the Sterling Area (Rs. 101 crores). Exports to all areas excluding OEEC countries showed fractional increases. Consequently the surpluses of earlier years with the sterling, the dollar and the rest of the non-sterling areas were converted into sizeable deficits of Rs. 35 crores, Rs. 31 crores, and Rs. 24 crores, respectively, while the deficit with the OEEC countries widened from Rs. 84.2 crores to Rs. 201.9 crores.

Regional Surplus (+) or Deficit (-)

(Crores of Rupees)

	1956-57				Year	
	First quarter	Second quarter	Third quarter	Fourth quarter	1956-57	1955-56
Sterling Area	+ 2.3	- 23.9	- 19.5	+ 5.9	- 35.2	+ 44.6
Dollar Area	- 0.2	- 0.5	- 6.2	- 24.5	- 31.4	+ 43.6
OEEC Countries	- 44.1	- 50.5	- 54.1	- 53.2	- 201.9	- 84.2
Rest of Non-Sterling Area	- 2.5	- 6.5	- 5.0	- 10.0	- 24.0	+ 12.9
Total	- 44.5	- 81.4	- 84.8	- 81.8	- 292.5	+ 16.9

Imports.—Imports in 1956-57 at Rs. 1,076.5 crores* showed an increase of Rs. 326 crores over the previous year. They were not only considerably higher than the Plan forecast for 1956-57 but even exceeded the peak level anticipated therein. The divergence between expected and actual imports may be attributed to (a) an unexpectedly high tempo of industrial activity in the private sector coinciding with large scale import demands in the public sector, showing the absence of adequate phasing, (b) some under-estimation in the import content of the Plan particularly in regard to iron and steel, (c) larger imports of food grains and (d) the cumulative effects of successive liberalisations of import policy in the past.

The increase in import payments during the current year was distributed somewhat unevenly between the private and public sectors of the economy. Of the total increase of Rs. 326 crores, the share of the private sector was Rs. 184 crores. A precise

*The figures for imports and exports are based on Exchange Control records and are not comparable with those published by D.G.C.I. and S.

India's Imports and Exports of some Principal Commodities

(Crores of Rupees)

	1955-56				Total	1956-57				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
IMPORTS : PRIVATE										
Capital Goods										
1. Machinery of all kinds ..	31.3	23.6	25.4	27.3	107.6	151.2	36.4	34.8	40.7	39.3
2. Metals—iron and steel ..	9.2	11.3	15.8	22.1	58.4	119.4	29.5	30.2	32.7	27.0
3. Metals—others ..	4.6	6.3	5.9	6.9	23.7	37.2	7.8	9.5	10.7	9.2
4. Vehicles ..	7.4	7.5	9.2	10.0	34.1	43.1	10.6	11.2	10.2	11.1
Raw Materials										
5. Oils ..	15.6	18.1	18.3	15.4	67.4	80.2	20.4	20.7	18.7	20.4
6. Raw Cotton ..	15.8	15.0	8.8	18.0	57.6	48.2	14.1	10.6	14.1	9.4
7. Raw Jute ..	3.8	4.6	4.3	5.7	18.4	7.8	2.0	1.8	2.8	1.2
8. Dyes and colours ..	3.4	5.3	3.6	3.4	15.7	15.0	3.8	3.9	3.7	3.6
9. Chemicals ..	5.3	5.1	4.8	6.6	21.8	28.9	7.3	7.1	7.9	6.6
Consumer Goods										
10. Cutlery, hardware etc. ..	5.6	5.8	5.4	5.7	22.5	28.4	7.7	7.2	6.7	6.8
11. Electrical goods ..	4.5	4.8	4.1	5.2	18.6	24.8	5.8	5.7	7.2	6.1
12. Paper, pasteboard and stationery ..	3.5	3.3	4.0	3.8	14.6	14.6	4.1	3.5	3.8	3.2
13. Woollen yarns and manufactures ..	1.7	2.2	2.1	1.6	7.6	10.8	2.8	3.6	2.5	1.9
14. Rayon textiles ..	3.8	3.9	3.4	3.2	14.3	17.1	4.4	4.8	4.3	3.6
EXPORTS										
1. Jute manufactures ..	31.5	26.9	28.8	33.1	120.3	126.0	26.7	30.0	32.2	37.1
2. Cotton manufactures ..	23.8	22.1	19.8	20.6	86.3	80.2	19.8	16.9	20.3	23.2
3. Tea ..	15.4	26.3	34.1	34.8	110.6	149.3	30.4	27.5	46.7	44.7
4. Hides and skins raw and tanned ..	7.8	7.2	8.3	9.5	32.8	30.4	8.0	5.8	8.2	8.4
5. Raw cotton ..	7.8	11.7	13.0	13.0	45.5	23.7	6.8	4.1	4.9	7.9
6. Vegetable oils ..	15.9	9.7	9.0	8.4	43.0	25.5	10.2	4.5	6.0	4.8
7. Metallic ores ..	6.5	7.2	7.3	8.9	29.9	23.9	8.8	3.9	5.9	5.3

Note.—Both imports and exports are c.i.f. Source:—E.C.D. records.

to the delay in the announcement of export quotas as also to a reduction in quotas consequent on the increased utilisation by the mills, while the latter was due to the ban placed on the export of certain oils like groundnut oil to conserve supplies for domestic consumption. A similar trend was in evidence in cotton textiles though the fall of Rs. 6 crores (to Rs. 80.2 crores) was much lower than in cotton raw and waste. Tea, however, provided a notable exception to this trend. Exports of this commodity as compared to 1955-56 rose by Rs. 38.7 crores to a record high level of Rs. 149.3 crores. The increase was entirely due to an increase in volume unlike as in 1954-55—another year for record exports of tea—when tea recorded high prices. The increase in exports was attributable to the sharp spurt in the demand for tea for stock-piling purposes which followed the closure of the Suez Canal. During 1956-57 total offtake of tea in the U.K. in terms of quantity rose by nearly 143 million lbs. (to 594.0 million lbs.) over the previous year, and of this rise, imports from India accounted for 104 million lbs.

Invisibles Excluding Official Donations.—During 1956-57 net receipts from invisible transactions were at the record figure of Rs. 107 crores. The rise was mainly accounted for by an increase in net receipts of Rs. 7.6 crores on 'transportation' account and Rs. 9.8 crores on 'investment income' account. The rise under 'transportation' is attributable to higher freight earnings of Indian companies and larger port disbursements by foreign companies at Indian ports; since the corresponding payments did not get recorded in the invisible account, the increase was partly fictitious. The rise under 'investment income' was the combined result of larger investment earnings on Government account and a somewhat smaller outgo in respect of payments of interest, dividends and profits on private account.

Official Donations.—Receipts from official donations declined from Rs. 42 crores during 1955-56 to Rs. 39.8 crores in 1956-57. This was mainly attributable to a decline in the aid received under the Colombo Plan which fell by Rs. 5.4 crores to Rs. 4.9 crores. This was, however, partially offset by a rise of Rs. 2.6 crores to Rs. 34.2 crores in the grant portion of the Indo-American Technical Co-operation Agreement.

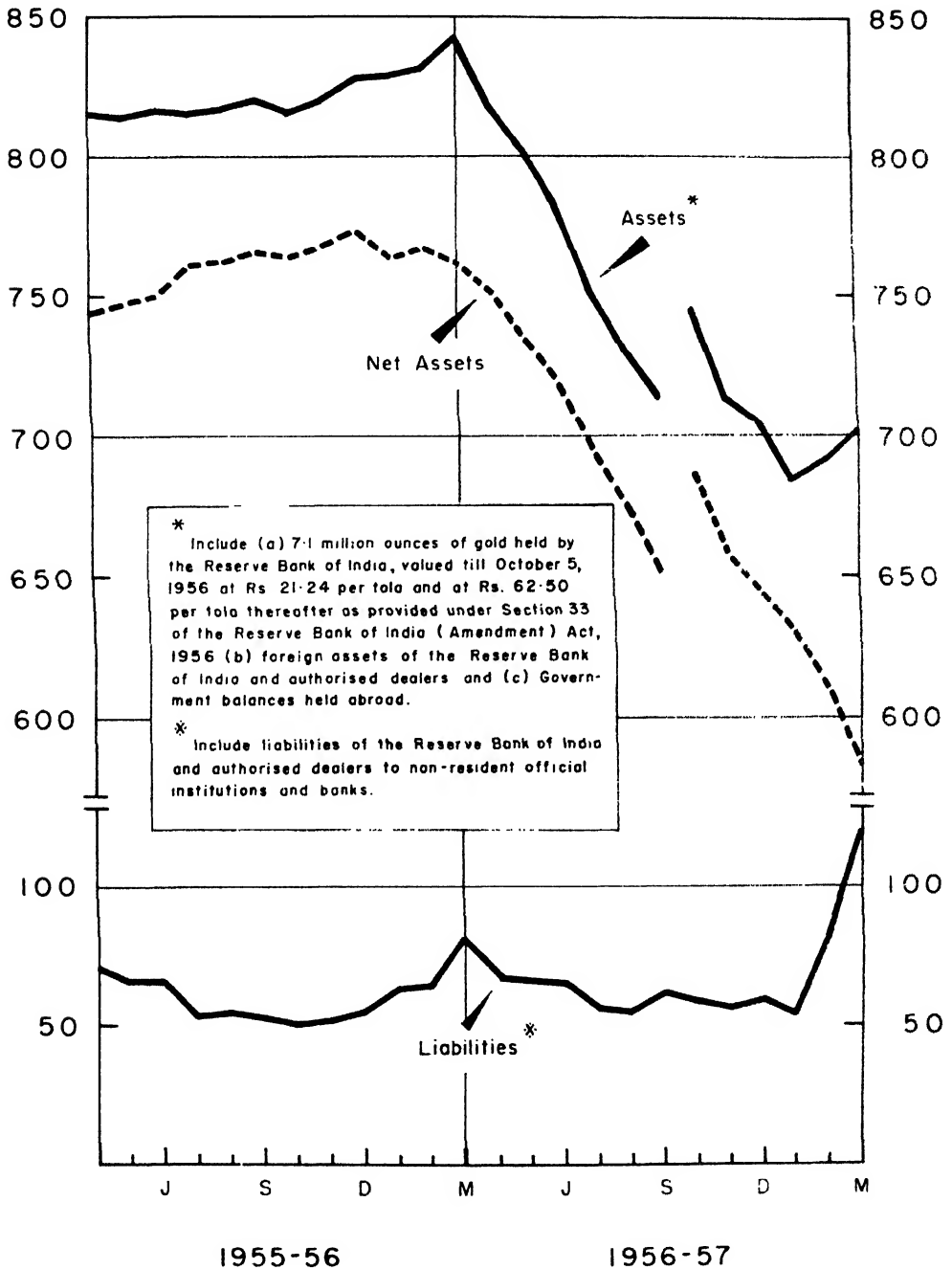
Capital Account.—There was a sharp increase in the outflow of private capital from India during 1956-57. The rate of outflow, at Rs. 17.2 crores, was the largest since 1948-49 when it was around Rs. 28.5 crores; in 1955-56 the outflow was Rs. 5.1 crores. It might be stated that there are differences in coverage as between the last two years, particularly as the data for the year under review are in a way incomplete.

In the official sector, receipts from official loans aggregated Rs. 56.4 crores, of which drawings on IBRD loans accounted for Rs. 8.9 crores, P.L.480 Rs. 35.9 crores, loan under the Indo-American Technical Co-operation Programme Rs. 10.9

GRAPH 19

INDIA'S FOREIGN EXCHANGE RESERVES

Crores of Rupees



crores and the balance of Rs. 0.7 crore was drawings under Russian credit for the Bhilai steel project. Amortisation receipts were higher than payments mainly on account of a receipt of about Rs. 5 crores from the U.K. being the second instalment towards reimbursement of excess pensions. The outflow on other official long-term transactions included India's subscription of Rs. 2.1 crores to the International Finance Corporation.

The movement in the official short-term capital, which is broadly indicative of the impact on the country's reserves, showed a worsening of Rs. 258 crores. The continued pressure on the country's balance of payments necessitated the negotiation of a line of credit of Rs. 95 crores from the I.M.F. in the last quarter of 1956-57, of which Rs. 61 crores was utilised in the quarter January-March 1957; the balance of Rs. 34.5 crores representing the stand-by counterpart of this arrangement was drawn upon on June 12, 1957.

To sum up the position on current and capital accounts during 1956-57, there was a deficit on current account of Rs. 292.5 crores. If 'errors and omissions' are added to this, total deficit would amount to Rs. 297.1 crores. As against this, the net inflow on capital account from official loans and other capital transactions (including the utilisation of I.M.F. credit of Rs. 55 crores) amounted to Rs. 78.1 crores. The net deficit requiring accommodation from official assets thus amounted to Rs. 219 crores.

Foreign Exchange Reserves.—The rising trend in India's foreign exchange reserves noticed in 1955-56 was interrupted and reversed in April 1956. Thereafter the reserves fell both continuously and rapidly, the aggregate decline during the year being Rs. 219 crores. During the remaining months of 1956 the impact on the reserves became heavier with each successive quarter, the relevant figures being Rs. 60 crores, Rs. 69 crores and Rs. 87 crores. In the last quarter of 1956-57, (i.e. January-March 1957) the reserves fell by only Rs. 2 crores, but this excludes Rs. 61 crores of I.M.F. credit which was also utilised during the quarter. At the end of March 1957, foreign exchange assets stood at Rs. 701.4 crores, gold being valued at Rs. 62.50 per tola as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956*. Viewed sector-wise, the decline in foreign exchange assets occurred entirely in the official sector, sterling balances showing a fall of Rs. 219 crores; assets of the private sector, i.e. authorised dealers, in fact showed a slight rise. India's foreign exchange liabilities rose during the year by Rs. 37 crores mainly on account of the purchase of dollars from the I.M.F. Since the end of the year, despite the tightening of trade and exchange restrictions, sterling balances have continued to show an uninterrupted fall. Between March 29, 1957 and June 28, 1957 sterling balances fell from a level of Rs. 529.1 crores to Rs. 456.8 crores—a drop of Rs. 72.3

*Prior to the amendment gold was valued at Rs. 21.24 per tola. (See page 34).

crores. This includes the utilisation of the stand-by credit of Rs. 34.5 crores; without this drawing, the balances would have fallen by Rs. 106.8 crores.

Sterling Transactions.—During 1956-57, the Reserve Bank's sterling transactions (excluding government transactions) resulted in net sales of £144 million (Rs. 193 crores) in contrast to net purchases of £39 million (Rs. 52 crores) in the preceding year. Purchases fell short of sales during each of the months beginning from April 1956, the lowest purchases at £2.1 million (Rs. 2.8 crores) being in April 1956 and the highest sales at £23.3 million (Rs. 31.1 crores) being in October 1956.

Developments in Exchange Control.—In the field of exchange control, 1956-57 was an eventful year. On the one hand multilateral arbitrage facilities in certain European currencies were extended to Indian banks, while on the other hand, following the deterioration in the payments position, there was a tightening of restrictions. The following section lists chronologically the more significant changes in the country's restrictive system during the year.

(1) From June 21, 1956 authorised dealers in foreign exchange were permitted to enter into multilateral foreign exchange arbitrage arrangements with authorised dealers in Belgium, Denmark, Western Germany, France, Italy, Netherlands, Norway, Sweden and Switzerland. The arrangements accordingly permitted authorised banks in India to conclude spot or forward transactions for periods not exceeding six months with other authorised banks in any of these territories against sterling, rupees or any of the respective currencies, namely, Belgian francs, Danish kroner, Deutsche marks, Metropolitan French francs, Italian liras, Dutch guilders, Norwegian kroner, Swedish kronors and Swiss francs. Forward arbitrage deals involving French francs or with authorised banks in France were limited to three months over normal spot usance.

(2) From August 24, 1956 the full (100 per cent) proceeds of import bills in respect of goods shipped from Egypt to India were required to be credited to the 'B' Account, so that the entire proceeds of Egyptian exports to India could be utilised in future for financing Egyptian purchases in India, or for making other local payments.

(3) Mention was made in last year's Report of the permission granted to authorised dealers to deal in foreign exchanges other than U.S. dollars, Canadian dollars, pound sterling and Pakistan rupee, at rates to be decided by market conditions. As from September 3, 1956 this freedom was extended to the U.S. and Canadian dollars. As in the case of other currencies all spot transactions between the banks and their customers and between authorised dealers were to be effected at or between the official buying and selling rates of the Bank of England. Authorised dealers were also permitted to deal in forward contracts at market rates.

(4) As part of the measures to halt the drain on foreign exchange reserves, it was decided to withdraw as from January 1, 1957 the basic allowance of foreign exchange for purposes of travel abroad for pleasure or personal convenience.

(5) From January 2, 1957 Austrian schilling was included in the list of specified currencies and became a permissible medium of payment between the 'scheduled territories' and Austria.

(6) The ban imposed last year on the taking out of Indian currency notes by travellers to Portuguese territories in India was lifted on March 19, 1957. Travellers proceeding to Portuguese territories were permitted to take with them Indian currency notes/coins not exceeding Rs. 10/- per adult per visit and Rs. 5/- per child per visit.

Since the end of the financial year, further restrictions have been imposed on invisible payments, particularly those pertaining to travel, in respect of business, education and health. Government also cancelled, with effect from June 27, 1957, the facility of remittance to foreign countries through money order.

Trade Policy.—During the second half of 1956, import of certain items such as ball bearings, small tools and garage tools was further liberalised, while increased quotas were provided for certain raw materials. The basic period was extended to 1954-55 for 168 items and to 1955-56 for another 58 items and provision in respect of certain items was made for newcomers to become established importers. Quotas were reduced for 73 items and 31 items were removed from the Liberal Licensing List.

A rapid depletion of foreign exchange reserves, brought about largely by heavy imports of machinery and iron and steel, made it necessary to adopt a more restrictive import policy for the first half of 1957. Quotas were cut down for 509 items which included a number of consumer goods, machinery and raw materials. The system of liberal licensing was withdrawn, so also the facilities given to the newcomers. On the other hand, the facilities provided to importers under the Export Promotion Scheme such as grant of special licences to exporters to replace the import content of their products, and concessions granted to holders of soft currency licences for utilisation, upto specified limits, of their licences for imports from hard currency countries were liberalised considerably. A policy for the import of capital goods under deferred payment arrangements was also formulated in March 1957.

Export promotion councils were set up for two more industries, viz., mica and leather and leather goods. Other measures to encourage exports included (1) extension of free licensing to all varieties of cotton piecegoods upto June 30, 1957, (2) abolition of export duty on coarse cloth and linseed oil, (3) modification, with effect from February 1, 1957, of the procedure for obtaining refund of excise duty on exports and (4) announcement of an export quota of 1 lakh tons for sugar.

However, export of commodities in short supply or commodities considered to be essential for indigenous industries continued to be restricted.

An important institutional development during the year was the establishment of the State Trading Corporation, a fully State-owned enterprise. Broadly speaking, this Corporation is intended to supplement and not to supplant existing commercial channels. The Corporation's business transactions, including contracts entered into with foreign countries, since its inception amounted to over Rs. 38 crores. Another important step was the decision to set up a State-owned Export Risks Insurance Corporation to cover certain risks including those beyond the control of the exporter or the buyer abroad. Towards the end of the year, the Government also set up an Export Promotion Committee to examine the problems relating to exports and suggest measures for increasing the export earnings of the country.

Trade Agreements.—During the year, eleven existing trade agreements were renewed while seven new agreements were signed with Poland, Bulgaria, Pakistan, Burma, Viet Nam, Eastern Germany and Chile. Of these, the agreements with Viet Nam and Chile were entered into for the first time; the total number of countries with whom India has signed trade agreements is now twenty-three. The agreements in general would help augment supplies of machinery and capital goods, electrical goods, locomotives, certain items of chemicals like nitrate and sulphur, food grains, raw jute and other essential materials required for the purpose of fulfilling India's development objective under the Second Five Year Plan, while India would, in turn, export some of her traditional items like cotton and jute goods which have been facing severe competition in their traditional markets in Western Europe, America and the Far East. The agreements with neighbouring countries like Burma also provide for the export of products of some of the newer industries, particularly light engineering goods like sewing machines, electric fans, radio receivers, kerosene stoves etc. The agreements do not envisage a bilateral balancing of accounts, and the commodities listed are only illustrative of the scope for exports from and imports into each of the contracting countries.

The Indo-U.S. Agreement of August 1956 and the Tripartite Agreement between India, U.S. and Burma require a special mention. The former provides for the import into India of surplus U.S. agricultural commodities under P.L. 480, valued at \$360 million, equivalent to Rs. 172 crores (inclusive of the payment of half the estimated shipping cost, viz. Rs. 26 crores), distributed as follows: wheat Rs. 95 crores, rice Rs. 13 crores, cotton Rs. 33 crores, tobacco Rs. 3 crores and dairy products Rs. 2 crores. Of the sale proceeds, Rs. 137 crores would be transferred to Government of India (Rs. 111.4 crores as a loan and Rs. 25.7 crores as a grant) and the rest would be left free for use by the U.S. Government in India. Of the loan component of Rs. 111.4 crores made available to the Government of India, about

Rs. 26 crores have been earmarked for re-lending to the private sector. The agreement will go a long way to meeting possible food shortages and will assist in conservation of India's foreign exchange resources. The Tripartite Agreement between India, the U.S.A. and Burma was signed in July 1956. Under this agreement, India would export to Burma cotton textiles worth approximately Rs. 185 lakhs. The payment for these textiles would be made in raw cotton purchased by Burma from the U.S.A. under the P.L. 480 programme.

Tariff Commission.—During the year, the Commission conducted 6 tariff inquiries and 4 price inquiries, details of which are given elsewhere in this Report. Two of the tariff enquiries were in respect of industries seeking protection for the first time; the rest related to industries already enjoying protection. The Government fully accepted the Commission's recommendations for continuance of protection and with slight modification for grant of protection to new industries.

The two fresh applicants were the isoniazid and calcium carbide industries. In the case of the calcium carbide industry, the Government accepted the Commission's recommendation regarding the period of protection, viz. that protection should be granted upto December 31, 1958 but retained the existing level of 50 per cent *ad valorem* revenue duty instead of reducing it to 45 per cent as recommended by the Commission. As regards the isoniazid industry, the Government accepted the Commission's recommendation that protection by means of tariff was not desirable since this would raise the price of a life saving drug to certain classes of consumers. The Government, however, decided to provide a measure of assistance to the industry by a scheme of remission of import duty on gammapicoline—an essential raw material for the manufacture of isoniazid.

The four tariff inquiries connected with existing protection covered the following industries: ball bearings, plastics (phenol formaldehyde moulding powder, electrical accessories and buttons), power and distribution transformers and electric brass lamp holders. In the case of the electric brass lamp holders industry, the Commission came to the conclusion that the industry could stand on its own legs without protection and, therefore, recommended that the industry should be de-protected after December 31, 1957. For the ball bearings industry, the Commission recommended that the existing protective duty on ball bearings upto 2" bore might be continued and that protective duty on adapter bearings be raised to 94½ per cent. The duration of these duties was to be extended upto December 31, 1960. Protection to the power and distribution transformers industry was also recommended to be continued at the existing rates upto December 31, 1960. In the case of plastic manufactures, the Commission recommended that the existing protective duties on phenol formaldehyde moulding powder and plastic buttons should be continued for a period of three years till December 31, 1959. The electrical accessories section of the plastic

industry was, however, recommended for withdrawal of protection after December 31, 1956. In all the four cases, the Government of India accepted the recommendations of the Commission.

Of the four price inquiries, two related to the prices of pig iron produced by the Indian Iron and Steel Co. and the Mysore Iron and Steel Works, one to prices of locomotives and boilers produced by the Tata Locomotive and Engineering Co., and the other to the prices of automobiles. In the case of Indian Iron and Steel Co., the Commission recommended that ex-works fair retention prices of pig iron payable to the company should be fixed at between Rs. 128 and Rs. 148 per ton for standard grades and between Rs. 126 and Rs. 146 per ton for low manganese grade for the period August 1, 1954 to March 31, 1960. The Government accepted these retention prices upto December 31, 1955 but decided to reduce the price by Rs. 6-8-0 per ton for the subsequent period. As regards Mysore Iron and Steel Works, the Commission recommended that prices payable for mild steel sections should be fixed at Rs. 392 per ton in 1954-55 and Rs. 405 per ton from 1955-56 to 1959-60. The fair retention prices per ton of pig iron of standard foundry grade were recommended at Rs. 178-8-0 from November 14, 1953 to March 31, 1954; Rs. 197 in 1954-55 and Rs. 195 from 1955-56 to 1959-60. The Government decided to allow these prices upto March 31, 1959 only, as it was considered that cost of production might be altered substantially as a result of increased output in 1959-60, consequent on the completion of the expansion scheme of the company. In the case of locomotives and boilers, the Government accepted the prices recommended by the Commission for the three periods; viz. (i) July 1, 1954 to March 31, 1955 for locomotives and February 1, 1954 to March 31, 1955 for boilers; (ii) April 1, 1955 to March 31, 1956 and (iii) April 1, 1956 to March 31, 1958.

The Commission felt that a rigid system of price control was likely to have adverse repercussions on the development of the automobile industry and suggested a flexible arrangement which would give freedom to the companies to vary prices at their discretion. Periodic investigations were, however, to be held into their costs and profits to prevent excessive prices being charged and to ensure that the maximum proportion of profits was ploughed back into reserves. Government broadly agreed with the recommendations of the Commission subject to the conditions that (a) the manufacturers should give a month's notice to the Government before effecting any change in prices, (b) the net dealer price (i.e. ex-factory price charged to the dealer) should not exceed the ex-works cost by more than 10 per cent and (c) the approved manufacturers should maintain their cost data in sufficient detail. The Commission made a few other recommendations which were also accepted by Government with certain modifications.

IX. CURRENCY AND COINAGE

Circulation of India Notes.—Currency in circulation, which had been rising since 1953-54, increased further during 1956-57, but the rise during the year was less pronounced than in the preceding two years. While notes in circulation recorded a moderate increase, and small coin in circulation, a small rise, the circulation of rupee coin (including Government of India one rupee notes) showed a net decline over the year, thus resuming its earlier downtrend noticed since 1951-52. The rise in notes in circulation during the year (Rs. 59 crores) was less than one-third of the increase recorded during 1955-56 (Rs. 190 crores) and only about two-thirds of that during 1954-55. Total notes in circulation at the end of 1956-57 amounted to Rs. 1,483 crores*—a rise of 4.2 per cent during the year and of 36.1 per cent since 1953-54.

Denomination-wise, except for the Rs. 1,000 and Rs. 10,000 denominations which recorded small declines, all the other denominations contributed to the expansion of Rs. 106 crores in note circulation during the calendar year 1956.† The proportion to total notes in circulation increased in the case of the Rs. 100 denomination; the shares of the Rs. 5,000 and Rs. 10,000 denominations remained unchanged and those of all the other denominations declined. The Rs. 100 denomination had formed 40.1 per cent of the total notes in circulation at the end of 1955 and this percentage rose to 41.7 at the end of 1956—the largest for any denomination; thus, unlike in the past two years when the Rs. 10 denomination was the most popular denomination in circulation, the Rs. 100 denomination once again became the denomination largest in circulation. The share of Rs. 10 denomination declined further from 41.0 per cent to 40.9 per cent, that of Rs. 5 denomination from 11.6 per cent to 10.9 per cent and of the Rs. 2 denomination from 2.1 per cent to 1.9 per cent. Among the high denomination notes of Rs. 1,000, Rs. 5,000 and Rs. 10,000 introduced in April 1954, the shares of the last two denominations remained unchanged at 0.7 per cent and 0.4 per cent, respectively, while that of the Rs. 1,000 denomination declined from 4.1 per cent to 3.5 per cent. The circulation of the Rs. 1,000 denomination at the end of 1956 amounted to Rs. 52 crores, as against Rs. 10 crores for the Rs. 5,000 note and Rs. 6 crores for the Rs. 10,000 note.

Circulation of India Rupee Coin.—The rise in rupee coin circulation during 1955-56 proved temporary and the earlier downtrend noticed since 1951-52 was resumed during 1956-57, with a contraction of Rs. 4.3 crores, as against an increase of Rs. 9.2 crores in 1955-56. The decline of Rs. 4.3 crores during the year was the net result of a fall of Rs. 11.5 crores during the period June to November 1956 and a rise of Rs. 7.3 crores in the remaining months. At the end of 1956-57, the circulation

* Net of Rs. 43 crores of India notes returned from circulation in Pakistan and awaiting cancellation.

† Data are available on a calendar year basis only.

of rupee coin stood at Rs. 118 crores*, as compared to Rs. 138 crores at the end of 1950-51—a net fall of about 15 per cent. On April 4, 1956, the Reserve Bank received from the Government of India, one rupee notes of the value of Rs. 5 crores in terms of Section 36(2)† of the Reserve Bank of India Act, against payment of legal tender value. At the year-end, rupee coin holdings of the Reserve Bank, the bulk of which is held in the form of one-rupee notes, amounted to Rs. 123 crores.

Circulation of India Small Coin.—Following an increase of Rs. 1.5 crores in 1955-56, small coin circulation recorded a further, though small, rise of Rs. 45 lakhs during 1956-57. Denomination-wise, the circulation of quarter-rupees, one anna, half-anna and single pice showed increases but that of the other denominations, namely, half-rupees, two annas, half-pice and pie pieces, recorded declines during the year. Metal-wise, there was a further return from circulation of quaternary silver coins amounting to Rs. 1.5 crores, the total amount of these coins withdrawn from circulation since 1947-48 being about Rs. 21 crores. This return was more than offset by the increase in the circulation of nickel (Rs. 1.7 crores) and copper coins (Rs. 0.2 crore).

Hyderabad State Currency.—In accordance with the provisions of the Hyderabad Coinage and Paper Currency (Miscellaneous Provisions) Act, 1953 (see page 80 of this Report for 1954-55), the Hyderabad Currency (i.e. *Hali Sicca* currency) ceased to be legal tender with effect from April 1, 1955. However, in order to enable the public to exchange their holdings of Hyderabad currency for Indian currency, the Union Government had provided conversion facilities at all the offices of the State Bank of Hyderabad and the treasuries and sub-treasuries of the Hyderabad Government initially for a period of one year upto March 31, 1956. During the year, the period for the provision of these facilities was extended twice, first upto the end of September 1956 and thereafter upto the end of December 1956, after which these facilities were withdrawn, thus bringing to an end the process of conversion of Hyderabad currency into Indian currency. Prior to the integration of the Hyderabad State with the Indian Union, the estimated circulation of Hyderabad currency as on January 26, 1950 was *Hali Sicca* Rs. 48 crores (or India Rs. 41 crores).

Introduction of Decimal Coinage.—With effect from April 1, 1957, India adopted the decimal coinage as a first step in the programme to introduce the metric system

* Since June 7, 1947 by which date all standard silver rupee coin had ceased to be legal tender, 'rupee coin' circulation in India has comprised (i) Government of India one rupee notes issued from July 1940, (ii) quaternary silver rupees issued between December 1940 and June 1946 and (iii) nickel rupees issued from June 1947. Since June 1946 quaternary silver rupee coins are in the process of being withdrawn. Out of coins for Rs. 94 crores outstanding on the date of discontinuance of their issue, coins of the value of Rs. 48 crores were retired from circulation upto March 31, 1957.

† This section provides that, after the close of any financial year in which the maximum amount of rupee coin held in the assets, as shown in the weekly accounts of the Issue Department of the Reserve Bank, is less than fifty crores of rupees or one-sixth of the total amount of the assets whichever may be greater, the Central Government shall deliver to the Reserve Bank rupee coin upto the amount of such deficiency, but not without its consent exceeding five crores of rupees against payment of legal tender value.

in the country's coinage, weights and measures. Under the new system, the rupee remains the same both in value and nomenclature. Similarly, the half and quarter rupee coins remain the same in value. The rupee has been divided into one hundred equal parts called 'paise', as against its present division into 64 pice or 192 pies. During the transitional period, when both the old and the new coins will be current, the new *paise* will be called *naya paise*, and after the interim period the prefix will be dropped. The '*naya paise*' has become the primary unit of Indian currency, and its multiples, 2, 5, 10, 25 and 50 constitute the different units of the new currency. To start with, new coins of the denominations of 1 *naya paise*, 2 *naye paise*, 5 *naye paise* and 10 *naye paise* have been put into circulation as from April 1, 1957 through banks, treasuries and sub-treasuries, post offices etc. Coins of the higher denominations, namely, 25 and 50 *naye paise* and the new rupee (100 *naye paise*) will be introduced at a subsequent date ; until then, the existing quarter-rupee, half-rupee and rupee coins will be used as currency, as they have undergone no change in value. It has been decided to spread the process of changeover to the decimal coinage over a period of three years. During this period, the existing coins will continue to be legal tender, but will be gradually withdrawn from circulation. Conversion facilities have been provided at the Reserve Bank Offices, branches of the State Bank of India, other agency banks and treasuries and sub-treasuries. New coins are given only in exchange for existing coins of a total value of 4 annas and multiples thereof. The details regarding the denominations, dimensions, weight, metallic composition etc. of the new series of coins as compared to the old coins have been shown elsewhere in the Report.

Cessation of the Legal Tender Character of Notes not bearing the Asoka Pillar Emblem.—The currency notes of the Government of India and bank notes other than those bearing the Asoka pillar emblem in the design and in the watermark were to cease to be legal tender, save at the offices of the Reserve Bank and its agencies, with effect from October 27, 1956 (*vide* page 79 of this Report for 1955-56). With a view to avoiding inconvenience to the public, especially in the rural areas where such notes are still in circulation to some extent, the Government of India extended the date of cessation of the legal tender character of these notes by a period of six months upto April 27, 1957, and again by a further period of six months upto October 27 1957. Government have also announced that no further extension of the period would be allowed. It may be noted that this limitation of the legal tender character of currency notes other than those bearing the Asoka pillar emblem does not apply to one rupee notes, which will continue to be legal tender.

Old Notes.—The value of notes written off under Section 34* of the Reserve Bank of India Act amounted to Rs. 1,91,300 during 1956-57, as against Rs. 1,39,900

* Section 34 of the Reserve Bank of India provides that any currency note or Bank note, which has not been presented for payment within 40 years from its date of issue, shall be deemed to be no longer in circulation.

during 1955-56. Notes, which had been written off in the previous years under this Section, but which were subsequently presented for payment and paid by the Banking Department of the Bank, amounted to Rs. 4,040 during the year, as against Rs. 1,670 last year.

Lost, Destroyed and Mutilated Notes.—Claims in respect of lost, destroyed and mutilated notes admitted at the Bank's offices during the year amounted to Rs. 50 lakhs, and the actual payments made against them to Rs. 43 lakhs, as compared to Rs. 54 lakhs and Rs. 49 lakhs, respectively, during 1955-56.

Note Forgeries.—The total number of forged notes (including Government of India one rupee notes) received by the Bank amounted to 13,952 during 1956-57 as compared to 9,496 in 1955-56. Particulars regarding prosecutions on account of note forgeries are given elsewhere in the Report.

Coinage.—With the decision to introduce decimal coinage from April 1, 1957, the mints in India were engaged on the work of minting the new coins throughout 1956-57. The total number of the 1, 2, 5 and 10 *naye paise* coins minted during the year was 744 million pieces and their total value Rs. 2.5 crores. At the same time, existing half and quarter rupee coins of the value of Rs. 1.4 crores were minted during the year, of which Rs. 1 crore were half-rupee coins and Rs. 0.4 crore, quarter rupees. There was no coinage of whole rupees during the year.

The Table below shows the number and value of the new coins minted during the year at the different mints.

Mintage of New Decimal Coins during 1956-57

Denomination				('000s omitted)	
	Number of pieces coined at			Total	
	Bombay Mint	Hyderabad Mint	Alipore Mint	Number	Value Rs.
10 Naye Paise	7,06,20	—	7,16,05	14,22,25	1,42,22
5 „ „	4,42,70	—	4,53,25	8,95,95	44,80
2 „ „	6,30,70	—	7,44,70	13,75,40	27,51
1 Naya Paisa	16,49,30	8,49,70	12,48,70	37,47,70	37,48
Total	34,28,90	8,49,70	31,62,70	74,41,30	2,52,01

As in the previous years, the India Government mints continued to undertake coinage for foreign countries, the number of coins minted during 1956-57 being 74.2 lakhs as against 121.0 lakhs in 1956-57.

Withdrawal of Silver, Cupro-nickel and Copper Coins.—During 1956-57, the aggregate value of uncurrent coin withdrawn from circulation amounted to Rs. 1.7 lakhs, and of badly worn and defaced coins to Rs. 99.7 lakhs.

Counterfeit Coins.—The number of counterfeit coins cut at treasuries and Railway stations during the year was 2.1 lakhs as against 1.7 lakhs in 1955-56.

STATEMENTS

In using this Report, the following general information may be noted.

(1) The Indian financial year is from April 1 to March 31. Thus, 1956-57 means the year from April 1, 1956 to March 31, 1957.

(2) The Currency Unit of the Indian Union is the Rupee. With effect from April, 1, 1957, India adopted the decimal coinage, the Rupee being divided into 100 equal parts, called 'naya paisa'. The abbreviation for rupees is 'Rs.' and for 'naya paisa' it is 'nP'. A Rupee is equivalent to 21 U.S. cents or 1 sh. 6 d. sterling.

(3) In terms of the States Reorganisation Act, 1956, which became effective on November 1, 1956, the Indian Union is now a federation of *thirteen* States (excluding Jammu and Kashmir). The total population of the Indian Union, according to the 1951 Census, is 357 million. The Federal Government is the Government of India, also called the Central or Union Government.

(4) A crore = 10 million (Rs. 1 crore is equal to U.S. \$2.1 million or £750,000 sterling). A lakh = one-tenth of one million.

(5) A tola = three-eighths of an ounce.

(6) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be in some Tables and Statements an apparent slight discrepancy between the sum of the constituent items and the total as shown.

(7) The following symbols have been used :

.. = Figure is not available. — = Figure is nil or negligible.

(8) A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable. In each case a foot note is added indicating the nature of the difference.

STATEMENT I

INDEX NUMBERS OF MONEY SUPPLY, INDUSTRIAL PRODUCTION AND WHOLESALE PRICES IN SELECTED COUNTRIES

Year and Month	AUSTRALIA			CANADA			FRANCE			GERMANY (WESTERN)			INDIA			JAPAN		
	M	P†		M	I	P	M	I	P	M*	I	P	M	I	P	M	I	P
1951	92	86		94	91	109	79	99	100	82	85	101	105	95	112	73	72	97
1952	89	97		101	94	102	90	103	105	91	91	103	109	98	98	88	80	100
1953	100	100		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1954	103	98		105	98	114	103	98	98	113	112	98	107	107	98	102	109	99
1955	105	102		113	107	99	128	121	98	123	123	101	120	116	90	118	119	98
1956	105	105		113	114	102	142	132	102	133	139	103	127	126	102	141	141	102
January	101	93		105	95	93	113	118	98	105	118	100	110	112	92	91	99	98
February	103	100		104	100	99	114	120	98	107	120	100	112	117	92	89	105	99
March	106	101		106	101	99	114	123	93	109	124	101	116	122	90	89	115	99
April	105	101		109	104	99	115	121	97	110	124	100	117	118	88	93	112	98
May	103	101		108	108	99	116	123	99	111	130	100	116	120	87	91	113	97
June	102	102		111	111	99	117	125	96	112	130	100	116	126	87	95	115	96
July	101	104		113	106	99	119	113	97	115	124	101	114	113	90	95	117	97
August	99	103		113	109	100	119	94	93	115	124	101	115	125	91	94	118	97
September	99	103		114	113	100	121	119	99	116	135	101	114	125	90	92	121	97
October	101	103		116	114	100	123	123	99	118	139	101	116	115	91	96	120	93
November	103	104		114	114	100	124	131	99	118	147	101	117	118	93	101	122	97
December	105	104		113	105	100	128	127	100	124	138	101	120	125	94	118	128	98
January	103	104		109	101	101	127	130	109	119	129	102	123	116	96	103	117	98
February	103	102		107	107	101	127	128	103	118	127	102	123	127	96	105	123	99
March	105	105		110	112	101	130	133	101	129	132	102	128	122	98	103	129	99
April	105	107		111	112	102	131	137	102	131	140	102	130	124	99	111	136	100
May	101	103		111	114	102	131	142	103	124	141	102	130	143	99	111	137	101
June	101	104		114	120	103	133	139	102	123	135	102	128	143	101	114	139	101
July	98	106		113	115	103	135	131	101	124	135	102	128	145	104	115	145	101
August	97	107		116	116	103	136	94	103	124	134	103	125	126	101	114	146	102
September	92	107		115	120	103	136	133	102	125	144	103	123	131	101	119	149	104
October	103	107		116	121	103	135	138	102	126	145	103	124	125	101	119	148	104
November	102	105		115	120	103	136	143	103	127	154	104	125	135	103	121	154	105
December	101	104		113	113	103	142	135	104	133	141	105	127	129	102	141	158	106

† For footnotes, see page 10.

STATEMENT I—(Contd.)

Year and Month	NETHERLANDS			NEW ZEALAND			UNION OF SOUTH AFRICA			UNITED KINGDOM			UNITED STATES		
	M	I	P	M	P		M	P		M	I	P ⁺	M	I	P
1951	85	91	107	87	91		95	86		97	97	97	95	90	104
1952	94	92	104	86	101		95	99		97	94	100	98	93	101
1953	100	100	100	100	100		100	100		100	100	100	100	100	100
1954	107	110	101	103	99		102	101		103	107	101	100	93	100
1955	115	118	102	109	100		98	104		103	113	104	105	104	100
1956	111	..	..	109	..		102	105		104	113	107(a)	105	107	104
January 1955	107	107	103	105	100		..	101		102	111	103	103	99	100
February	105	104	102	110	109		..	102		98	115	103	101	101	100
March	106	123	101	110	100		95	103		97	117	102	101	103	100
April	108	114	101	103	100		..	104		98	111	102	100	103	100
May	109	115	101	103	100		..	103		98	116	101	99	103	100
June	110	126	101	103	100		94	103		99	113	102	100	103	100
July	..	116	101	101	100		95	104		100	101	104	100	104	100
August	..	116	101	101	100		97	102		100	98	104	100	97	100
September	113	123	101	101	100		97	105		99	116	105	101	106	101
October	..	125	102	102	101		97	105		99	121	105	102	110	101
November	115	126	102	102	101		97	105		99	121	105	103	108	101
December	115	123	102	109	101		98	105		103	114	106	105	106	101
January 1956	111	117	103	107	101		95	105		101	115	105	104	107	102
February	111	111	104	111	101		95	106		97	117	106	101	107	102
March	112	127	104	107	102		91	105		97	117	107	100	107	102
April	112	119	105	108	103		92	105		97	113	106	102	107	103
May	112	129	104	107	103		91	105		97	113	107	102	107	103
June	113	130	104	107	104		93	105		99	117	108	100	105	104
July	115	120	103	103	105		92	104		99	105	106	101	105	104
August	114	121	104	100	106		96	105		100	105	106	101	101	104
September	112	123	104	102	106		97	105		99	116	108	101	106	104
October	110	136	105	101	107		96	106		100	118	108	101	108	105
November	109	136	107	102	105		101	106		100	120	109	103	109	105
December	111	..	..	109	..		102	107		104	111	110	106	110	106

M = Money Supply; figures as at the end of period, base : end of 1953 = 100. I = Industrial Production, base : 1953 = 100. P = Wholesale Prices, base : 1953 = 100.

+ Home and Import Goods. *Prior to 1953, the note circulation in West Berlin is excluded.

† New series for 1956; 'a' relates to wholesale prices of industrial input and 'b' to those of industrial output.

Source : United Nations Monthly Bulletin of Statistics and International Financial Statistics issued by the I.M.F.

STATEMENT 2

BALANCE OF INTERNATIONAL TRANSACTIONS OF THE UNITED STATES DURING 1956

(Millions of U. S. Dollars)

Item	Sterling Area				All Areas			
	Jan.-June 1956	July-Dec. 1956	1956	1955	Jan.-June 1956	July-Dec. 1956	1956	1955
Exports of goods ..	1,108	1,243	2,351	2,144	8,342	8,932	17,274	14,264
Exports of services ..	554	607	1,161	1,178	2,903	3,169	6,072	5,651
Total ..	1,662	1,850	3,512	3,322	11,245	12,101	23,346	19,915
Imports of goods ..	1,005	989	1,994	1,800	6,414	6,349	12,763	11,516
Imports of services ..	786	690	1,476	1,299	3,483	3,540	7,023	6,407
Total ..	1,791	1,679	3,470	3,099	9,897	9,889	19,786	17,923
Balance on goods and services ..	129	171	42	223	1,348	2,212	3,560	1,992
Military transfers ..	*	*	*	*	1,747	863	2,610	2,134
Balance on goods and services including military transfers ..	129	171	42	223	3,095	3,075	6,170	4,126
Unilateral transfers (Net): ..	175	134	309	380	2,911	2,011	4,922	4,596
Private ..	44	44	88	89	237	266	503	456
Government :								
Economic aid ..	126	86	212	282	861	811	1,672	1,865
Military aid ..	*	*	*	*	1,747	863	2,610	2,134
Other ..	5	4	9	9	66	71	137	141
United States capital (Net) :	166	406	572	82	1,414	1,952	3,366	1,455
Private ..	120	360	480	61	1,088	1,658	2,746	1,153
Government ..	46	46	92	21	326	294	620	302
Foreign capital (Net) ..	259	326	585	104	1,163	640	1,803	1,433
Long-term ..	61	33	94	169	84	288	372	873
Short-term ..	198	293	491	65	1,079	352	1,431	560
Gold [purchases(—) or sales(+)] ..	—	100	100	—	115	189	304	41
Errors and omissions and transfers of funds between foreign areas [receipts by foreign areas(—)] (Net) ..	211	143	354	135	182	437	619	451

* Military aid to sterling area countries is not shown separately.

STATE

MONEY MARKET RATES

(Per cent)

Countries	Description	Average of Months					
		1951	1952	1953	1954	1955	1956
Treasury Bill Rates							
Australia	.. Tap 3 months	.. 0.75	0.85	1.00	1.00	1.00	1.00
Belgium	.. Tap 4 months	.. 1.31	1.31	1.31	1.31	1.31	1.31
Canada††	.. Tender 3 months	.. 0.80	1.07	1.69	1.44	1.62	2.92
India*	.. Tender 3 months	.. —	2.15	2.42	2.57	2.52	2.52
Italy	.. Tap 3-4 months	.. 3.25	2.92	2.75	2.75	2.75	2.75
Netherlands	.. Tender 3 months	.. 1.36	1.08	0.57	0.55	0.96	2.39
Union of South Africa	.. Tap 3 months†	.. 1.00	1.29	1.88**	1.90	2.56	3.23
United Kingdom	.. Tender 3 months	.. 0.56	2.20	2.30	1.80	3.70	4.93
United States of America	.. Tender 3 months	.. 1.55	1.77	1.94	0.95	1.75	2.66
Other Rates							
France	.. Call money rate	.. 2.70	3.79	4.04	3.59	3.16	3.19
India@	.. " " "	.. 0.98	2.03	2.21	2.45	2.67	3.18
Japan***	.. " " "	.. 7.12	8.06	7.82	7.85	7.36	6.57
Netherlands	.. " " "	.. 1.03	0.77	0.52	0.52	0.62	1.34
Switzerland	.. Private discount rate	.. 1.50	1.50	1.50	1.50	1.50	1.50
Union of South Africa	.. Commercial overdraft rate	.. 5.00	5.38	5.50	5.50	5.63	..
United Kingdom	.. 3-month bankers' acceptances	.. 0.91	2.71	2.77	1.84	3.75	5.05
	.. Call money rate	.. 0.69	2.01	2.16	1.63	2.99	4.01
United States of America	.. Prime 90-day bankers' acceptances	.. 1.60	1.75	1.88	1.36	1.72	2.65
	.. Call money rate†††	.. 2.14	2.48	3.06	3.05	3.20	4.04

†† Beginning 1955, new series.

† 6-month bills prior to June 1953.

* Sales of Treasury bills to the public remained suspended during the following periods :—
 (i) December 20, 1949 to September 9, 1952, (ii) April 20, 1954 to November 2, 1954
 and (iii) since April 3, 1956.

** June-December 1953.

*** In Tokyo.

@ Call money rate in Bombay; monthly data are averages of Friday quotations.

††† In New York.

MENT 3**IN SELECTED COUNTRIES***per annum)*

1956											
Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31
2.53	2.56	2.64	2.89	2.72	2.52	2.65	2.90	3.16	3.34	3.52	3.67
2.52	2.52	2.53	2.53	—	—	—	—	—	—	—	—
2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
1.38	1.53	1.32	1.59	1.76	2.38	2.74	3.00	3.00	3.30	3.25	3.48
3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
4.07	4.67	5.18	5.11	4.95	5.06	5.01	5.03	5.11	5.05	5.01	4.93
2.46	2.37	2.31	2.61	2.65	2.53	2.33	2.61	2.85	2.96	3.00	3.23
2.95	3.05	3.06	3.08	3.10	3.02	3.21	3.02	3.00	3.47	3.71	3.55
2.94	2.95	3.21	3.22	3.13	3.15	3.13	3.13	3.20	3.25	3.30	3.56
5.84	5.11	6.02	4.75	5.66	6.21	6.94	7.67	7.30	7.67	6.57	9.13
1.15	1.00	1.00	1.23	1.25	1.43	1.50	1.50	1.50	1.50	1.50	1.50
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
6.00	6.00	6.00	6.00	..	..	..	..	..	..	..	..
4.22	4.77	5.34	5.27	5.14	5.20	5.10	5.08	5.18	5.14	5.08	5.07
3.03	3.68	4.17	4.05	4.13	4.16	3.96	4.14	4.26	4.21	4.24	4.15
2.45	2.38	2.38	2.44	2.50	2.45	2.43	2.65	2.88	2.88	3.05	3.35
3.63	3.63	3.63	3.94	4.00	4.00	4.00	4.14	4.38	4.38	4.38	4.38

Sources :—Monthly Bulletin of Statistics published by the United Nations, Economic Statistics Monthly (Bank of Japan), Federal Reserve Bulletin, Quarterly Bulletin of Statistics of South African Reserve Bank and Survey of Current Business (U.S.A.).

STATEMENT 4

GOLD AND DOLLAR ACCOUNTS OF THE STERLING AREA

(Millions of U. S. Dollars)

	1956	1956	1955
	January- June 1956	July- December 1956 (Provisional)	(Provisional)
I. Transactions with Dollar Area			
A. United Kingdom :			
(a) Balance of current transactions including			
defence aid (Net)	172	234	62
(b) Other transactions (investment, etc.)	65	196	261
Total U.K. Surplus (+) or Deficit (-) (Net)	107	430	323
B. Rest of Sterling Area :			
(a) Credit (+) or Debit (-)	97	108	11
(b) Gold sales in U.K. (Net)	271	351	622
Total Rest of Sterling Area Surplus (+) or Deficit (-) (Net)	368	243	611
II. Transactions with Non-Dollar Areas			
(a) Other Western Hemisphere	17	4	21
(b) OEEC countries	211	602	813
(c) Other non-sterling countries	33	12	45
(d) Non-territorial organisations	17	544	561
Total Transactions with Non-Dollar Areas (Net)	210	66	276
Total Net Gold and Dollar Surplus (+) or Deficit (-)	265	253	13
(Corresponding to change in gold and dollar reserves)			
			642

STATEMENT 5

WORLD GOLD PRODUCTION

(Thousands of fine ounces)

COUNTRIES	1951	1952	1953	1954	1955	1956	Percentage increase (+) or decrease (-) of 1956 over 1955
I. British Commonwealth ..	18,605	19,104	18,895	20,622	21,925*	22,960*	+ 4.7
(a) Union of South Africa ..	11,516	11,819	11,941	13,237	14,601	15,890	+ 8.8
(b) Canada	4,393	4,472	4,056	4,366	4,542	4,380*	- 3.6
(c) Australia	896	980	1,075	1,118	1,049	1,031*	- 1.7
(d) Gold Coast	699	691	731	787	687	638	- 7.1
(e) Southern Rhodesia ..	487	497	501	536	525	535*	+ 1.9
(f) India	226	253	223	239	211	209*	- 1.0
(g) New Zealand	75	59	39	42	27	25*	- 7.4
(h) Others	313	333	329	297	283	255*	- 9.9
II. Latin American Countries							
(a) Colombia	431	422	437	377	381	440*	+ 15.5
(b) Mexico	394	459	483	396	379	350*	- 7.7
(c) Brazil	171	160	147	153	145	160*	+ 10.5
(d) Peru	158	135	140	147	163	150*	- 8.0
(e) Chile	175	177	131	125	123	85*	- 30.9
III. United States of America ..	1,895	1,927	1,970	1,859	1,877	1,860*	- 0.9
IV. All countries †	23,941	24,592	24,506	25,873	27,124*	28,100*	+ 3.6
British Commonwealth :							
Percentage	77.7	77.7	77.1	79.7	80.8	81.7	+ 1.1
Union of South Africa :							
Percentage	48.1	48.1	48.7	51.2	53.8	56.6	+ 5.2

* Estimated or provisional figure.

† Excludes gold production of the U.S.S.R.

Source : Union Corporation Limited, South Africa.

STATEMENT 6

WORLD SILVER PRODUCTION

(Millions of ounces)

COUNTRIES	1951	1952	1953	1954	1955	1956	Percentage increase (+) or decrease (-) of 1956 over 1955
Mexico	43.8	50.4	47.9	39.9	48.0	44.0	- 8.3
United States of America ..	39.9	39.8	37.7	35.6	36.5	37.5	+ 2.7
Canada	23.1	25.2	28.3	31.1	27.9	27.5	- 1.4
Peru	15.0	18.4	19.7	20.4	23.0	23.0	-
Bolivia	7.1	7.1	6.1	5.0	5.9	7.0	+ 18.6
Other South and Central American Countries	6.6	7.4	9.4	7.7	6.1	6.0	- 1.6
Total Western Hemisphere ..	135.5	148.3	149.1	139.7	147.4	145.0	- 1.6
Outside the Western Hemisphere	63.6	67.0	72.1	73.3	74.1	85.0	+ 14.7
India	0.015	0.018	0.015	0.161	0.132	0.105*	- 20.5
World Production	199.1	215.3	221.2	213.0	221.5	230.0	+ 3.8

*Provisional.

Source : Handy and Harman.

STATEMENT 7

PRICES* OF BAR GOLD IN SELECTED COUNTRIES

End of	Belgium	France	Hong Kong	India	Italy	Lebanon	Switzerland	Turkey	United Kingdom†
1951	..	51.19	49.38	59.28	43.97	67.63	38.62	60.21	..
1952	..	45.85	42.56	46.64	35.64	61.60	37.31	67.76	..
1953	..	36.30	38.35	46.05	35.83	51.73	35.26	75.54	..
1954	..	35.76	37.86	49.39	36.03	52.24	35.02	85.53	35.04
1955	..	35.49	39.07	52.45	36.03	52.17	34.99	..	34.98
1956	..	35.52	41.23	55.59	35.93	51.53	34.95	..	34.92
January 1956	..	35.12	40.03	53.44	36.34	51.99	35.00	127.75	34.99
February	..	35.12	40.08	56.80	36.33	51.84	34.98	..	34.99
March	..	35.20	40.61	59.29	35.78	51.82	34.99	132.19	34.98
April	..	35.09	40.62	59.67	35.88	51.77	34.99	..	35.00
May	..	35.12	39.81	58.24	35.58	51.74	34.99	164.96	35.00
June	..	35.22	40.26	56.49	35.63	51.73	34.99	141.08	34.99
July	..	35.31	40.26	57.59	35.63	51.25	35.12	..	35.09
August	..	35.22	42.39	57.38	35.58	51.84	35.03	..	35.00
September	..	35.18	41.24	57.79	35.78	51.77	35.04	130.52	35.03
October	..	35.34	41.24	59.26	35.73	51.53	35.08	144.41	35.08
November	..	35.64	41.50	58.87	37.17	52.17	34.97	..	34.94
December	..	35.52	41.23	58.59	35.93	51.53	34.95	..	34.92

Note.—The United States Treasury's price of gold has remained unchanged at \$35 per fine ounce from February 1934. The duty on gold imports into India is Rs. 13.12 (or \$2.76) per tola.

*National Currency quotations have been converted to U.S. \$ equivalent at official exchange rates.

† The London Gold market was reopened on March 22, 1954. The price of gold in London varied between £12-12-1 and £12-8-11½ during 1956.

Source :—International Financial Statistics issued by the I.M.F.

STATEMENT 8

PRICES* (SPOT) OF SILVER IN LONDON AND NEW YORK

(Per fine ounce)

				London				New York			
				Highest	Lowest	Average**		Highest	Lowest	Average**	
				d. (1)	d. (2)	d. (3)	Rs. (4)	cents (5)	cents (6)	cents (7)	Rs. (8)
1951	..	..	..	78.50	70.00	77.86	4.33	90.16	80.00	89.37	4.26
1952	..	..	..	77.00	72.50	74.36	4.13	88.00	82.75	84.94	4.04
1953	..	..	..	74.00	72.88	73.95	4.11	85.25	83.25	85.19	4.06
1954	..	..	..	74.38	72.00	73.48	4.08	85.25	85.25	85.25	4.06
1955	..	..	..	80.25	73.75	77.51	4.31	92.00	85.25	89.10	4.24
1956	..	..	..	81.38	76.63	79.13	4.40	91.63	90.00	90.83	4.33
January	1956	..	..	78.88	77.38	78.28	4.35	91.00	90.00	90.36	4.30
February	..	..	..	79.50	76.63	78.56	4.36	91.63	90.13	90.91	4.33
March	..	..	..	79.00	78.88	78.98	4.39	91.25	91.00	91.14	4.34
April	..	..	..	79.00	78.63	78.78	4.38	91.25	90.75	90.83	4.33
May	..	..	..	79.13	78.75	78.89	4.38	90.75	90.75	90.75	4.32
June	..	..	..	79.00	78.13	78.63	4.37	90.75	90.25	90.46	4.31
July	..	..	..	78.75	78.38	78.50	4.36	90.25	90.13	90.14	4.29
August	..	..	..	79.00	78.50	78.77	4.38	90.75	90.13	90.61	4.31
September	..	..	..	79.50	78.75	78.87	4.38	90.75	90.75	90.75	4.32
October	..	..	..	81.00	79.38	79.93	4.44	91.38	90.75	91.16	4.34
November	..	..	..	81.38	81.25	81.31	4.52	91.75	91.38	91.41	4.35
December	..	..	..	81.38	79.25	80.10	4.45	91.38	91.38	91.38	4.35

Note.—The rupee equivalent of average prices shown in columns 4 and 8 have been computed on the basis of the official exchange rates of 1*sh* 6*d.* and 21 U. S. *cents* per rupee.

*Closing prices.

**Average of working days.

Source : Handy and Harman for Annual data ; monthly figures are based on the quotations supplied by the Press Trust of India Ltd.

STATEMENT 9

SELECTED ECONOMIC INDICATORS (QUARTERLY) - INDIA

Items	Unit: Base	1954-55				1955-56				1956-57			
		I	II	III	IV	I	II	III	IV	I	II	III	IV
I. Production and Prices (Average of months)													
1. Industrial Production Index ..	1951=100	..	114.9	118.9	122.3	128.2	128.5	126.9	128.6	161.9	144.1	136.8	140.1
2. Number of man-days lost through Industrial Disputes	000's	629	964	779	802	2,439	1,774	632	1,823	1,603	1,944	1,740	..
3. Wholesale Price Index	Year ended August 1939=100	393.4	382.7	375.2	359.8	343.3	355.3	363.5	380.6	393.1	415.8	424.8	422.9
4. Consumer Price Index	1949=100	102	101	99	95	93	96	98	98	104	108	109	107
5. Index of Security Prices (All-India)													
(i) Government and Semi Government Securities	1949-50=100	90.4	90.8	90.3	90.6	90.7	90.9	91.0	91.1	91.1	90.9	90.1	89.8
(ii) Preference Shares	"	88.3	89.0	88.3	88.0	87.6	87.6	87.6	86.6	85.3	84.8	81.8	80.0
(iii) Variable Dividend Industrial Securities	"	104.9	116.3	116.0	114.8	113.8	121.1	128.3	123.0	124.0	126.5	121.7	112.8
6. Bullion Prices (Bombay: Spot)													
(i) Gold	Rs. per tola	89.94	86.81	87.94	92.25	94.37	94.81	95.12	98.94	104.07	102.69	104.64	106.69
(ii) Silver	Rs. per 100 tolas	163.06	154.62	156.88	162.75	163.25	163.19	170.88	176.50	176.06	172.44	173.34	180.91
II. Money and Banking (Quarter-end)													
7. Currency with the public	Crores of Rs.	1,208.2	1,173.5	1,224.6	1,311.8	1,343.7	1,309.7	1,385.9	1,505.1	1,504.5	1,436.0	1,485.3	1,556.5
8. Deposit money with the public	"	577.9	586.0	607.5	608.9	633.5	644.1	661.3	679.2	684.7	673.5	693.3	756.3
9. Money supply with the public (7+8)	"	1,786.1	1,759.5	1,832.2	1,920.6	1,977.2	1,953.7	2,047.2	2,184.3	2,189.1	2,109.4	2,178.7	2,312.9
10. Foreign assets of the Reserve Bank	"	743.6	730.5	730.8	730.0	716.0	719.5	735.2	746.1	681.5	615.1	529.9	526.8
11. Central Government Deposits with the Reserve Bank	"	116.5	141.2	54.9	59.5	57.8	58.0	54.0	67.3	56.8	71.4	57.2	64.6
12. Other Governments' Deposits with the Reserve Bank	"	20.3	14.5	16.7	60.3	11.2	11.6	10.6	62.0	13.2	19.1	8.0	32.0
13. 'Other loans and advances' by the Reserve Bank	"	29.6	18.6	21.3	47.9	26.8	23.1	44.6	79.9	69.7	86.8	106.0	127.9

Items	Unit/Base	1954-55				1955-56				1956-57			
		I	II	III	IV	I	II	III	IV	I	II	III	IV
14. Schedule Banks:													
(i) Demand liabilities													
(ii) Time liabilities													
(iii) Cash and balances with the Reserve Bank													
(iv) Advances and bills purchased and counted													
(v) Cheque Clearances (Total)													
15. Call rate among larger banks in Bombay	Per cent per annum	2½	2—2½	3	2½—3	2—2½	2½—2½	3	3½—3½	3—3½	3½—3½	3½—3½	3½
III. Public Finance													
17. Tax Revenue** (a)	Crores of Rs.	80.8	175.4	278.1	452.7	89.8	201.9	318.1	480.4	103.5	229.4	331.0	549.3
18. Total Revenue** Re-ceipts (net)	"	85.0	202.4	311.7	420.2	94.2	231.9	356.3	465.8	108.8	263.5	382.1	527.5
19. Total Revenue** Ex-penditure (net)	"	76.6	158.8	257.2	386.7	77.9	169.0	266.8	425.4	82.1	175.5	272.2	489.5
20. Rupee debt of Govern-ment of India (Quarter-end)	"												
(i) Rupee loans	"	1,444.5	1,511.6	1,473.8	1,474.4	1,474.4	1,516.4	1,508.7	1,508.7	1,508.7	1,587.0	1,633.6*	1,633.6*
(ii) Treasury bills out-standing	"	361.3	347.2	350.4	471.9	513.3	440.6	460.3	595.3	643.4	578.7	667.2	835.7
IV. Trade													
21. Value of Imports	"	151.9	159.5	174.0	170.9	162.4	158.1	181.5	202.8	191.7	210.1	210.1	228.3
22. Value of Exports	"	113.4	143.4	174.0	162.8	132.5	161.1	151.3	164.5	131.6	142.3	165.8	160.7
23. Net Balance of Trade...	"	-38.5	-16.1	—	-8.1	-29.9	-3.0	-30.2	-38.3	-60.1	-67.8	-44.3	-67.6
24. Volume of Imports	"	104	104	104	104	104	104	104	104	104	104	104	104
25. Volume of Exports	"	104	104	104	104	104	104	104	104	104	104	104	104
26. Net terms of Trade @	"	100	100	100	100	100	100	100	100	100	100	100	100
27. Total Number of Wagons loaded	000 Nos.	2,796	2,782	2,991	3,199	2,973	3,008	3,257	3,523	3,264	3,156	3,430	3,735

(a) Relates to customs, Union excise duties, corporation tax and income-tax.

** April to quarter-end; figures relate to the Union Government.

† Provisional.

@ Ratio of Export Price Index to Import Price Index.

* Includes Rs. 46.5 of the Hyderabad loans taken over by the Government of India under the States Reorganisation Act, 1956.

STATEMENT 10

NATIONAL INCOME BY INDUSTRIAL ORIGIN

(AT CURRENT PRICES)

(In Rs. Abja) *

	1955-56**	1954-55	1953-54	1952-53	1951-52	1950-51
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Agriculture</i>						
1. Agriculture, animal husbandry and ancillary activities ..	41.0	42.3	52.0	47.1	49.1	47.8
2. Forestry	0.7	0.7	0.6	0.6	0.7	0.7
3. Fishery	0.5	0.5	0.5	0.4	0.4	0.4
4. Total of agriculture	42.2	43.5	53.1	48.1	50.2	48.9
<i>Mining, manufacturing and small enterprises</i>						
5. Mining	1.0	1.0	1.0	0.9	0.9	0.7
6. Factory establishments ..	8.1	7.5	6.9	6.4	6.4	5.5
7. Small enterprises	9.6	9.6	9.8	9.7	9.5	9.1
8. Total of mining, manufacturing and small enterprises ..	18.7	18.1	17.7	17.0	16.8	15.3
<i>Commerce, transport and communication</i>						
9. Communication (post, telegraph and telephone)	0.4	0.4	0.4	0.4	0.4	0.4
10. Railways	2.4	2.2	2.0	2.0	2.1	1.8
11. Organised banking and insurance	0.8	0.8	0.8	0.7	0.8	0.7
12. Other commerce and transport	14.9	14.7	14.8	14.7	14.6	14.0
13. Total of commerce, transport and communication	18.5	18.1	18.0	17.8	17.9	16.9
<i>Other services</i>						
14. Professions and liberal arts ..	5.6	5.4	5.3	5.2	5.0	4.7
15. Government services (administration)	5.6	5.2	4.9	4.6	4.5	4.3
16. Domestic service	1.4	1.4	1.4	1.3	1.4	1.3
17. House property	4.5	4.5	4.4	4.3	4.1	4.1
18. Total of other services	17.1	16.5	16.0	15.4	15.0	14.4
19. Net domestic product at factor cost	96.5	96.2	104.8	98.3	99.9	95.5
20. Net earned income from abroad	0.0	0.0	0.0	-0.1	-0.2	-0.2
21. Net national output at factor cost = national income ..	96.5	96.2	104.8	98.2	99.7	95.3

*Abja = 100 crores.

**Preliminary.

Source : Estimates of National Income published by the Central Statistical Organisation, Government of India.

STATEMENT II

NATIONAL INCOME BY INDUSTRIAL ORIGIN

(AT 1948-49 PRICES)

(In Rs. Abja)*

	1955-56**	1954-55	1953-54	1952-53	1951-52	1950-51
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Agriculture, animal husbandry and ancillary activities (a)	49.8	50.3	49.8	46.0	44.4	43.4
2. Mining, manufacturing and small enterprises	17.5	17.0	16.5	15.8	15.2	14.8
3. Commerce, transport and communications	19.7	19.1	18.3	17.9	17.3	16.6
4. Other services (b)	17.2	16.4	15.7	15.0	14.3	13.9
5. Net domestic product at factor cost	104.2	102.8	100.3	94.7	91.2	88.7
6. Net earned income from abroad	0.0	0.0	0.0	-0.1	-0.2	-0.2
7. Net national output at factor cost = national income ..	104.2	102.8	100.3	94.6	91.0	88.5

* * Abja = 100 crores.

** Preliminary.

(a) including forestry and fishery. (b) comprising professions and liberal arts, government services (administration), domestic service and house property.

Source : Estimates of National Income published by the Central Statistical Organisation, Government of India.

STATEMENT 12

INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Agricultural Year ended June 1950 = 100)

Commodities/Groups	Weight	1951-52	1952-53	1953-54	1954-55	1955-56
Rice	35.3	90.1	96.8	118.6	105.5	109.6†
Wheat	8.5	93.9	112.7	120.0	133.7	127.1
Jowar	5.0	96.4	106.6	117.0	133.4	101.8
Bajra	2.7	75.8	94.8	135.0	106.3	105.7
Maize	2.1	101.3	123.3	130.2	127.9	109.6
Total Cereals	58.3	91.2	101.4	120.1	114.0	111.7
Gram	3.7	88.2	109.2	125.4	142.2	128.3
Total Pulses	8.6	90.3	98.8	112.0	117.3	108.9
Total Foodgrains	66.9	91.1	101.1	119.1	114.4	111.3†
Groundnut	5.7	93.0	85.3	100.3	122.1	112.5
Total Oilseeds	9.9	97.4	91.9	103.7	121.7	107.7
Cotton	2.8	119.2	121.0	151.8	163.1	154.3
Jute	1.4	151.4	148.6	100.0	94.7	133.8
Mcsta	0.3	104.8	103.3	98.5	154.3	182.0
Total Fibres	4.5	128.3	128.4	132.1	141.2	149.8
Tea	3.3	109.6	115.4	100.6	110.7	114.2*
Coffee	0.2	112.7	125.9	146.5	148.1	169.9*
Rubber	0.1	94.4	106.1	131.8	127.6*	133.5*
Total Plantation Crops	3.6	109.4	115.7	104.0	113.2	117.8
Sugarcane	8.7	122.8	101.6	89.5	116.7	118.7
Tobacco	1.9	78.0	91.3	101.5	93.9	99.5
Total Miscellaneous	15.1	114.0	101.5	97.4	115.0	116.9
Total Non-foodgrains	33.1	110.5	103.8	104.7	120.4	118.7
All Commodities	100.0	97.5	102.0	114.3	116.4	113.7†

Note.—The indices for 1954-55 are based on the partially revised estimates and those for 1955-56 on the final estimates and are, therefore, subject to revision.

Indices of commodities of minor importance are excluded from the Statement.

* Provisional. † These indices would be higher in view of the upward revision of rice production from 25.5 to 26.8 million tons and of overall production of foodgrains from 63.5 to 64.9 million tons.

Source : Ministry of Agriculture, Government of India.

STATEMENT 13

PRODUCTION OF AGRICULTURAL COMMODITIES

(000s omitted)

Commodities	Unit	1951-52	1952-53	1953-54	1954-55	1955-56
FOODGRAINS						
Cereals						
1. Rice	(Tons)	20,964	22,537	27,769	24,531	25,474 (26,846)
2. Wheat ..	(")	6,085	7,382	7,890	8,778	8,348
3. Jowar ..	(")	5,981	7,243	7,954	9,093	6,940
4. Bajra ..	(")	2,309	3,142	4,475	3,421	3,400
5. Maize ..	(")	2,043	2,825	2,991	2,939	2,519 (2,554)
6. Ragi	(")	1,291	1,316	1,846	1,646	1,844 (1,820)
7. Barley	(")	2,330	2,882	2,905	2,870	2,721
8. Small Millets	(")	1,885	1,895	2,438	2,456	2,103
Total Cereals	(")	42,888	49,222	58,268	55,734	53,349
Pulses						
9. Gram	(")	3,334	4,142	4,756	5,393	4,865
10. Other Pulses	(")	4,953	4,902	5,694	5,477	5,322
Total Pulses	(")	8,287	9,044	10,450	10,870	10,187
Total Foodgrains (Cereals and Pulses)	(")	51,175	58,266	68,718	66,604	63,536 (64,919)
NON-FOODGRAINS						
11. Sugar (Raw)	(")	6,066	5,019	4,423	5,760	5,859
12. Oilseeds	(")	4,949	4,659	5,285	6,242	5,596
(a) Groundnut (Nuts in shell)	(")	3,142	2,883	3,391	4,128	3,804 (3,862)
(b) Rape and Mustard	(")	928	844	858	1,019	832
(c) Sesamum	(")	445	464	554	589	458 (457)
(d) Linseed	(")	328	366	379	382	376
(e) Castorseed	(")	106	102	103	124	126 (124)
13. Cotton (Lint)	(bales of 392 lbs.)	3,133	3,194	3,944	4,227	3,998
14. Jute	(Bales of 400 lbs.)	4,678	4,592	3,091	2,928	4,137 (4,197)
15. Mesta	(")	..	682	650	1,018	1,201 (1,159)
16. Silk (Raw)†	(lbs.)	2,712	2,558	2,462	3,208	..
17. Tea**	(")	6,41,079	6,75,270	5,88,733	6,48,556	..
18. Coffee**	(tons)	24	21	25	26	..
19. Rubber**	(")	14	16	20	19	22
20. Tobacco	(")	206	241	268	244	259
21. Lac	(mds.)	1,297	1,153	654	1,023	1,248

Notes:—(1) Figures relate to the agricultural year ending June. Items 16, 17 and 19 refer to the calendar year i. e. figures for 1951-52 relate to 1951 and so on. Item 21 refers to the financial year. (2) Figures in respect of cereals and gram relate to reporting and non-reporting areas; estimates of production in non-reporting areas in respect of other crops are not available but are not likely to be significant. (3) Figures upto 1953-54 are revised estimates while those for 1954-55 and 1955-56 are partially revised and final estimates, respectively. The figures for 1954-55 and 1955-56 are, therefore, subject to revision. However, the available partially revised estimates for 1955-56 are shown in brackets.

**Estimates made by the Ministry of Agriculture. † Figures supplied by the Ministry of Commerce and Industry.

Source : Area and Production of Principal Crops in India, Pre-war Average to 1955-56 (Summary Tables)—issued by the Ministry of Agriculture.

STATEMENT 14

INDUSTRIAL PRODUCTION

	Industry	Weight	Indices (Average of months) (Base: 1951=100)				Unit	Actual Production (Annual)	
			1953	1954	1955	1956		1955	1956
1.	Textile Manufactures	..	107.1	110.0	113.6	119.9	..	..	..
	Cotton cloth	..	109.5	109.5	109.2	115.2	..	..	..
	Cotton yarn	..	108.4	113.5	117.3	122.0	..	..	..
	Jute textiles(a)	..	101.1	107.3	118.9	127.3	..	..	..
	Sugar (b)	..	115.8	97.4	143.0	174.9	..	..	..
2.	Paper and paper boards	..	105.9	117.7	140.2	146.6	..	..	..
3.	Cigarettes	..	85.9	92.4	106.4	122.0	..	..	..
4.	Coal	..	104.5	107.2	111.4	114.9	..	..	..
5.	Iron and Steel	..	95.7	113.2	113.3	118.0	..	..	..
6.	Finished Steel	..	95.0	115.5	117.1	122.2	..	..	..
7.	Pig Iron and Ferro-alloys..	..	97.4	107.5	103.9	107.3	..	..	..
	General Engineering	..	108.9	151.9	183.3	217.9	..	..	..
	Hurricane Lanterns	..	108.4	125.4	138.0	130.3	..	..	..
	Diesel Engines	..	51.3	119.4	141.0	165.3	..	..	..
8.	Chemicals and Chemical Products..	..	130.0	141.1	159.0	170.1	..	..	..
	Soap (c)	..	98.5	105.5	118.7	131.7	..	..	..
	Matches(d)	..	106.9	91.5	106.6	101.9	..	..	..
	Sulphuric Acid	..	102.0	141.1	155.4	154.7	..	..	..
9.	Automobiles	..	62.5	64.9	103.7	144.3	..	..	..
10.	Rubber Products	..	108.8	127.7	140.2	151.6	..	..	..
	Tyres	..	112.6	126.3	138.2	151.4	..	..	..
11.	Electricity Generated(g)	..	113.1	127.0	131.2	164.1	..	..	..
12.	Cement	..	118.3	137.6	140.4	154.2	..	..	..
13.	Non-Ferrous Metals	..	85.2	126.5	123.7	124.7	..	..	..
	Brass	..	89.7	139.7	116.1	120.9	..	..	..
14.	Iron ore	..	99.9	107.8	116.7	116.1	..	..	..
15.	General Index	100	105.6	112.9	122.1	132.8	..	..	..

(a) Figures relate to the production by Mills in the membership of the Indian Jute Mills' Association and also to one non-member mill.

(b) Figures relate to the Crop year (November to October) and are in respect of cane sugar only.

(c) Figures refer to the production of organised factories.

(d) Includes figures for Jammu and Kashmir.

(e) 50 gross boxes of 60 sticks each.

(f) Figures are in respect of automobile and cycle tyres only.

(g) Includes figures for Jammu and Kashmir and covers all power stations owned by Public Utility undertakings and two stations owned by industrial concerns.

Source: Monthly Statistics of the Production of Selected Industries of India—Ministry of Commerce and Industry.

STATEMENT 15

EMPLOYMENT EXCHANGE STATISTICS

(In Thousands)

Period		Number of registrations during the period	Number of applicants placed in employment during the period	Number of applicants on the live registers at the end of the period	Number of vacancies notified during the period	Number of vacancies outstanding at the end of the period
1951	..	1,375.4	416.9	328.7	486.5	21.8
1952	..	1,476.7	357.8	437.6	429.6	22.9
1953	..	1,408.8	185.4	522.4	256.7	20.9
1954	..	1,465.5	162.5	609.8	239.9	29.3
1955	..	1,584.0	169.7	692.0	280.5	42.2
1956	..	1,669.9	186.9	758.5	287.6	42.8
January	1956 ..	142.1	14.8	717.3	21.1	39.9
February	.. ..	128.0	12.5	724.4	26.0	41.9
March	.. ..	121.4	15.5	704.6	24.3	37.7
April	.. ..	133.6	16.6	702.3	27.0	39.5
May	.. ..	140.6	17.6	714.9	31.3	44.5
June	.. ..	170.8	19.5	740.6	20.0	45.2
July	.. ..	170.9	16.0	792.3	23.6	43.6
August	.. ..	144.8	14.9	797.2	21.9	41.4
September	.. ..	143.2	14.8	799.5	23.4	41.8
October	.. ..	120.7	14.2	776.8	22.7	41.9
November	.. ..	124.0	16.9	760.5	24.5	41.3
December	.. ..	129.9	13.7	758.5	21.8	42.8
January	1957 ..	135.2	14.6	777.2	23.9	43.3
February	.. ..	111.5	12.8	774.8	20.2	43.6
March	.. ..	111.2	13.1	747.3	22.6	45.4

Source : The Indian Labour Gazette.

STATE

STOCKS OF PRINCIPAL

At or about the end of				Raw Cotton *†		Cotton Manufactures*		Raw Jute ‡ (000 bales)
				Indian (000 bales)	Foreign (000 bales)	Yarn (Million lbs.)	Cloth (Million yds.)	
1951-52	..	..	1,236	301	64	568	1,161
1952-53	.	..	1,260	391	58	470	1,257	
1953-54	..	..	1,013	246	43	614	1,383
1954-55	..	..	1,011	200	51	559	1,386
1955-56	..	..	1,443	179	13	218	1,357
1956-57	..	..	1,408	205	18	450	1,373
April	1955	..	1,478	139	59	502	1,256	
May	"	..	1,587	146	30	339	1,085	
June	"	..	1,637	161	30	381	464	
July	"	..	1,552	181	24	358	645	
August	"	..	1,443	179	24	301	427	
September	"	..	1,278	172	18	279	380	
October	"	..	1,126	169	18	307	521	
November	"	..	1,055	168	14	281	791	
December	"	..	1,083	159	8	260	995	
January	1956	..	1,138	156	8	216	1,160	
February	"	..	1,188	175	9	170	1,294	
March	"	..	1,360	212	13	218	1,357	
April	"	..	1,513	213	12	190	1,298	
May	"	..	1,687	219	7	169	1,073	
June	"	..	1,705	224	9	199	829	
July	"	..	1,556	228	7	208	627	
August	"	..	1,408	205	4	232	537	
September	"	..	1,253	183	7	302	498	
October	"	..	1,083	180	9	387	617	
November	"	..	1,027	189	10	384	892	
December	"	..	1,073	177	11	407	1,132	
January	1957	..	1,126	171	11	412	1,351	
February	"	..	1,152	182	16	431	1,415	
March	"	..	1,222	200	18	450	1,373	

* Mill stocks; 1 bale = 392 lbs. † Annual figures relate to year ended August. ‡ Relating to mills in the membership of Indian Jute Mills' Association; 1 bale = 400 lbs.

Sources : Ministry of Commerce and Consumer Industries, Indian Central Jute Committee, Monthly Abstract of Statistics, Ministry of Heavy Industries and Ministry of Food.

MENT 16

COMMODITIES WITH INDUSTRY

Jute Manufactures **		Coal		Cement (Producers)	Finished Steel (Producers)	Pig Iron (Producers)	Sugar†† (000 tons)
Hessian cloth and bags (Million yds).	Sacking cloth and bags (Million yds).	Pit Head (000 tons)	Industries (000 tons)	(000 tons)	(000 tons)	(000 tons)	
161	158	3,582	1,659	71	126	55	170
162	229	3,376	2,447	65	127	52	468
110	143	4,003	2,078	104	126	118	196
131	132	3,961	2,021	87	119	120	57
112	131	3,811	1,675	96	107	50	432
109	137	3,000	1,670	112	..	..	542
150	141	4,066	1,923	88	121	114	1,064
157	116	4,097	1,866	93	120	106	1,020
185	82	4,129	1,772	90	119	100	911
161	85	3,902	1,789	96	116	95	788
160	81	3,697	1,960	101	115	87	656
132	77	3,786	1,886	85	110	77	536
113	68	3,516	2,099	108	104	73	432
106	72	3,449	2,208	111	110	69	358
88	80	3,609	1,918	97	104	66	526
94	107	3,586	1,796	106	107	60	758
105	125	3,813	1,700	102	107	59	879
112	131	3,811	1,675	96	107	50	1,133
133	150	3,814	1,720	96	102	49	1,258
152	169	3,833	1,589	101	113	46	1,241
141	198	3,712	1,668	99	107	44	1,158
143	221	3,379	1,708	115	111	39	991
103	212	3,023	1,708	113	109	30	820
104	211	2,881	1,862	103	108	26	678
110	187	2,664	1,901	92	110	31	542
89	161	2,566	1,850	105	116	34	488
70	154	2,766	1,708	108	113	39	660
88	161	2,780	1,667	107	116	40	881
93	148	3,029	1,591	107	112	43	1,061
109	137	3,000	1,670	112	..	..	1,235

** Relating to mills in the membership of Indian Jute Mills' Association and one non-member mill.†† Annual figures relate to year ended October.

STATEMENT 17

MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(Base : Year ended August 1939 = 100)

Group and Commodity	Weight	March 31, 1951	March 29, 1952	March 28, 1953	March 27, 1954	March 26, 1955	March 31, 1956	March 30, 1957	Percentage variations of				
		1	2	3	4	5	6	7	6 over 1	7 over 1	8 over 1	9 over 1	10 over 1
I. Food Articles													
Cereals	31	414.1	339.3	362.6	378.0	293.0	358.8	402.1	-13.4	-11.9	-13.4	-11.9	-11.9
Rice	(59)	496	444	440	432	336	447	535	-9.9	-19.7	-9.9	-19.7	-19.7
Wheat	(36)	553	521	496	486	415	518	615	-6.3	-18.7	-6.3	-18.7	-18.7
Jowar	(12)	591	501	565	547	435	532	613	-10.0	-15.2	-10.0	-15.2	-15.2
Bajra	(8)	307	225	209	223	102	225*	271	-26.8	-20.4	-26.8	-20.4	-20.4
	(3)	245	245	281	237	223	237	351@	-3.3	-48.0	-3.3	-48.0	-6.0
Pulses	(8)	505	418	438	371	227	355	432	-29.7	-21.6	-29.7	-21.6	-56.3
Gram	(5)	391	350	375	313	192	284	364	-27.4	-28.2	-27.4	-28.2	-47.9
Others	(33)	285	200	245	299	245	243	237	-14.7	-2.5	-14.7	-2.5	-0.9
Sugar	(13)	297	260	260	302	281	265	266+	-10.8	-0.4	-10.8	-0.4	-5.7
Gur	(9)	305	134	221	253	136	186	164	-39.0	-12.0	-39.0	-12.0	-36.7
Tea	(7)	380	217	355	585	577	380*	367	-	-3.4	-	-3.4	-34.2
II. Industrial Raw Materials													
Fibres	18	655.8	447.1	455.7	461.4	400.1	477.9	519.9	-27.1	-8.7	-27.1	-8.7	-19.5
Cotton Raw	(53)	688	476	418	446	429	465	508	-32.4	-9.2	-32.4	-9.2	-8.3
Jute Raw	(28)	491	415	456	478	382	472	489	-3.9	-3.6	-3.9	-3.6	-23.5
Wool Raw	(22)	1026	590	388	439	468	439	516	-57.2	-7.5	-57.2	-7.5	-6.2
	(2)	907	335	600	630	690	726	689	-20.0	-5.1	-20.0	-5.1	-5.2
Oilseeds	(30)	707	423	558	518	334	538	558	-23.9	-3.7	-23.9	-3.7	-61.0
Groundnuts	(12)	817	488	717	614	358	604	605	-73.9	-0.1	-73.9	-0.1	-68.7
Rapeseed	(5)	605	348	395	466	341	495	578	-18.2	-16.7	-18.2	-16.7	-45.1
Cottonseed	(4)	494	282	435	398	242	397	398	-19.7	-0.2	-19.7	-0.2	-64.0
Linseed	(3)	632	393	396	365	319	487	425	-22.9	-12.7	-22.9	-12.7	-52.6
Copra	(2)	1054	385	831	759	570	631	713	-40.1	-13.0	-40.1	-13.0	-10.7
Castorseed	(1)	823	458	509	362	252	451	615	-55.2	-36.4	-55.2	-36.4	-78.9
Minerals	(10)	414	462	462	430	423	438	558	-5.8	-27.4	-5.8	-27.4	-3.3
Coal@	(6)	357	357	357	357	357	362	430	-	-1.4	-	-1.4	-1.4
Manganese ore (Export Prices)	(2)	584	752	841	638	659	592	1149	-1.3	-94.1	-1.3	-94.1	-10.2
Mica	(1)	526	572	470	447	405	431	442	-18.1	-2.3	-18.1	-2.3	-6.4
Others	(7)	640	336	363	404	475	401	417	-37.4	-4.0	-37.4	-4.0	-15.6
Hides Raw	(3)	709	361	369	380	486	395	402	-44.3	-7.8	-44.3	-7.8	-12.0
Lac	(1)	1010	643	472	631	1110	773	583	-23.5	-24.6	-23.5	-24.6	-30.4
Rubber	(1)	283	294	313	313	340	355**	353	-	-	-	-	-

III. Semi-Manufactures		17	384.2	340.6	350.5	357.2	332.0	375.5	400.6	- 2.4	+ 6.6	+ 13.3
Cotton Yarn	..	(35)	476	498	446	450	439	453	482	- 4.9	+ 6.4	+ 3.2
Metals	..	(18)	190	199	227	238	243	282	328	-48.4	+16.3	- 16.0
Pig Iron	..	(8)	123	150	162	186	186	186	260	-52.4	+39.7	-
Vegetable oils	..	(16)	717	435	482	484	348	529	569	-26.3	- 7.5	- 52.0
Mustard oil	..	(7)	591	357	330	417	318	450	525	-46.2	+14.3	+ 44.3
Groundnut oil	..	(3)	913	568	799	623	404	657	661	-55.8	- 0.6	+ 62.6
Coconut oil	..	(2)	1065	619	853	619	619	723	723	-40.0	-12.1	- 4.2
Linseed oil	..	(1)	713	486	412	421	355	637	460	-10.7	-27.8	- 79.4
Mineral Oils	..	(13)	195	218	223	221	221	208	210	+ 6.6	+ 0.9	- 5.9
Leather	..	(8)	586	283	444	387	391	411	410	-29.9	- 0.3	+ 5.1
Oil cakes	..	(5)	499	397	413	417	277	396	403	-20.7	+ 1.7	+ 42.9
Others	..	(5)	334	277	211	306	331	363	376	- 8.6	- 3.5	+ 9.6
IV. Manufactures	..	30	398.3	382.4	369.4	375.8	376.1	373.7	384.1	- 6.3	+ 2.7	- 0.5
Textiles	..	(64)	477	434	407	419	419	405	410	-15.1	+ 1.2	- 3.4
Cotton Manufactures	..	(45)	382	410	406	413	411	403	414	- 5.4	+ 2.7	- 1.9
Jute Manufactures	..	(11)	1052	558	375	415	450	393	411	-62.5	+ 4.1	-12.2
Rayon and Silk Manufactures	..	(6)	672	439	528	526	468	502	442	-25.3	-12.0	- 7.2
Woollen Manufactures	..	(2)	329	388	313	313	310	278	266	-15.6	- 4.4	-10.3
Metal Products	..	(17)	278	311	336	337	340	371	392	+33.4	+ 5.6	+ 9.1
Iron and Steel@	..	(8)	210	219	267	270	274	319	333	-51.9	+ 7.7	+ 16.4
Other Finished Products	..	(19)	299	300	290	286	287	286	302	- 4.4	+ 5.5	- 0.3
Chemicals	..	(1)	282	343	301	297	300	282	310	-	- 9.9	- 6.0
Dyestuffs	..	(1)	365	311	306	294	277	260	294	-14.8	-13.1	- 6.2
V. Miscellaneous	..	4	755.1	590.9	585.5	690.0	545.6	494.1	567.2	-34.6	-14.7	- 9.5
Tobacco leaf	..	(42)	1173	902	805	1177	698	567*	839	-51.7	+47.9	-18.8
Black Pepper	..	(21)††	3418	2289	2819	1381	915	784	556	-88.8	-29.1	-14.3
Vanaspatti Dalda	..	(5)	463	436	438	375	303	383	419	-17.3	+ 9.4	- 26.4
All Commodities	..	100	449.6	378.2	385.0	396.8	349.7	390.4	420.8	-13.2	+ 7.9	+ 11.5

Note.—Figures in brackets refer to weightage as percentage of the main groups.

* March 24, 1956. † March 16, 1957.

†† March 23, 1957.

‡ March 20, 1954.

@ Controlled.

** March 10, 1956. †† This relates to weightage of the sub-group spices and condiments ; separate weightage for black pepper is not available.

Source : Compiled from the data published by the Office of the Economic Adviser to the Government of India.

STATE

INDEX NUMBERS OF WHOLESALE

(Base : Year ended

Week ended (a)		Food Articles (31)					Industrial Raw Materials (18)				
		General	Cereals	Pulses	Others	Group	Fibres	Oil-	Mine-	Others	Group
		Index	(59)	(8)	(b)	Index	(53)	seeds	erals	(c)	Index
		(100)			(33)	(31)		(30)	(10)	(7)	(18)
		1	2	3	4	5	6	7	8	9	10
1 April	7, 1956	392.1	457	387	240	364.9	460	524	451	402	472.9
2	14, "	390.7	459	351	236	360.9	459	524	444	395	471.0
3	21, "	392.2	464	347	233	361.3	461	536	448	388	475.4
4	28, "	390.4	461	345	227	356.8	457	532	440	392	471.5
5 May	5, "	389.0	452	346	229	353.5	449	538	445	396	469.6
6	12, "	389.8	445	363	227	350.1	456	547	437	397	475.2
7	19, "	391.3	447	367	225	350.5	457	559	463	427	483.5
8	26, "	391.1	453	355	216	348.2	459	558	460	431	484.3
9 June	2, "	391.6	459	355	221	353.6	458	539	447	430	477.7
10	9, "	393.0	468	350	220	356.3	458	546	414	429	476.0
11	16, "	401.5	474	368	245	373.7	459	540	468	432	480.6
12	23, "	401.8	474	362	248	374.6	459	539	470	430	480.6
13	30, "	402.2	476	362	245	373.4	470	537	435	421	481.8
14 July	7, "	406.8	480	370	242	374.9	484	530	470	421	490.9
15	14, "	406.8	484	372	242	377.3	475	521	517	419	487.8
16	21, "	409.0	484	386	250	382.3	473	540	523	419	493.2
17	28, "	412.3	486	383	257	386.5	475	545	534	420	496.6
18 August	4, "	413.8	502	385	253	391.5	470	549	516	421	493.2
19	11, "	417.9	502	391	264	397.7	474	566	488	425	497.7
20	18, "	421.1	505	410	264	401.1	475	582	515	426	505.1
21	25, "	421.0	509	406	255	397.9	477	581	513	423	505.7
22 September	1, "	421.5	511	396	251	395.9	484	580	528	424	510.6
23	8, "	420.1	511	395	249	395.0	481	579	529	422	508.6
24	15, "	418.9	506	393	247	391.5	479	578	517	422	506.4
25	22, "	419.8	508	397	248	392.7	479	571	523	423	505.1
26	29, "	418.8	507	392	245	390.7	479	568	524	423	504.4
27 October	6, "	417.4	502	383	247	388.7	483	557	535	422	504.2
28	13, "	418.8	511	381	249	393.7	478	564	535	422	503.2
29	20, "	418.7	516	396	246	395.6	482	557	551	422	505.5
30	27, "	417.1	510	387	246	392.2	473	555	533	421	497.9
31 November	3, "	419.7	514	396	246	394.3	481	555	532	420	502.1
32	10, "	426.4	527	411	264	411.1	481	563	526	421	504.0
33	17, "	430.5	533	420	271	418.3	504	571	521	432	519.2
34	24, "	434.2	546	425	269	423.5	523	572	532	430	531.1
35 December	1, "	431.5	546	434	266	422.6	497	565	525	432	514.2
36	8, "	429.2	543	432	261	418.4	493	556	532	432	510.1
37	15, "	430.4	542	429	262	418.5	500	575	536	431	519.5
38	22, "	430.7	533	419	267	416.1	501	584	523	440	522.3
39	29, "	421.9	497	422	252	392.0	505	564	540	437	520.2
40 January	5, 1957	417.8	476	424	252	382.4	502	572	509	437	517.6
41	12, "	421.0	489	433	253	389.9	508	566	540	434	522.0
42	19, "	424.1	494	433	262	396.5	509	588	528	435	527.7
43	26, "	425.8	506	426	258	399.7	511	601	543	433	533.7
44 February	2, "	427.2	521	439	258	407.0	507	594	523	420	526.1
45	9, "	426.2	523	440	252	405.2	506	578	552	416	523.7
46	16, "	424.2	530	439	250	407.7	500	568	552	410	517.5
47	23, "	421.8	529	436	244	403.7	499	556	559	413	514.5
48 March	2, "	421.2	523	433	248	402.8	502	557	561	414	516.3
49	9, "	421.5	524	446	245	402.4	502	563	569	415	519.3
50	16, "	420.8	526	448	243	402.4	504	558	518	413	514.1
51	23, "	422.0	534	440	240	403.6	509	561	554	412	520.8
52	30, "	420.8	535	432	236	402.1	508	558	558	417	519.9

Note:—Figures in brackets refer to weightage ; Weightage of the sub-groups is as percentage of the main group.

(a) The index is calculated from one-day-a-week prices on or about Friday of each week. (b) Comprising tea, coffee, sugar, gur and salt. (c) Comprising hides raw, skins raw, lac and rubber.

MENT 18

PRICES (GROUPS AND SUB-GROUPS), 1956-57

August 1939 = 100)

Semi-Manufactures (17)								Manufactured Articles (30)				Miscellaneous	
Leather	Mineral Oils	Vegetable Oils	Cotton yarn	Metals	Oil Cakes	Others (d)	Group Index	Textiles	Metal Products	Others (e)	Group Index	(f)	
(8)	(13)	(16)	(35)	(18)	(5)	(5)	(17)	(64)	(17)	(19)	(30)	(4)	
11	12	13	14	15	16	17	18	19	20	21	22	23	
410	208	515	452	282	411	363	374.4	408	371	286	375.5	495.5	1
410	208	514	455	282	418	362	375.5	408	371	286	375.2	496.0	2
409	208	538	457	281	426	362	378.7	409	371	286	376.0	496.5	3
406	208	546	464	281	420	361	381.1	409	371	286	375.6	499.0	4
403	208	551	467	280	401	361	381.4	408	371	286	375.1	499.7	5
406	208	559	471	280	397	360	383.2	413	371	286	378.2	498.0	6
406	208	561	476	280	402	360	385.0	411	371	286	377.2	501.0	7
404	208	559	480	279	424	361	386.9	411	371	286	377.0	508.2	8
402	208	559	479	278	411	361	385.4	411	371	286	376.8	506.0	9
406	208	558	477	278	431	361	386.0	413	371	286	378.5	509.0	10
407	208	555	476	330	424	361	397.0	411	379	286	378.2	512.8	11
406	208	550	475	329	416	361	395.6	411	379	286	378.2	520.5	12
401	208	554	473	328	426	361	395.5	409	377	286	377.0	545.4	13
399	208	547	475	327	432	362	395.1	418	388	291	385.1	560.8	14
395	208	539	475	327	423	362	393.4	418	388	291	385.5	557.7	15
396	208	544	476	327	432	362	394.9	419	388	291	386.0	560.8	16
391	208	553	482	327	446	361	397.7	419	388	291	386.0	562.0	17
387	208	565	483	329	462	361	400.4	419	388	291	385.7	563.7	18
383	208	576	495	330	467	361	405.0	420	388	294	387.2	567.0	19
381	208	606	498	329	479	361	409.5	422	388	293	388.0	564.6	20
372	208	615	503	329	487	361	411.1	425	388	294	389.8	565.0	21
374	208	605	504	329	479	361	410.3	427	388	294	391.2	564.8	22
375	208	585	505	329	489	361	408.6	426	388	295	390.7	553.0	23
373	208	589	503	329	488	361	408.7	427	388	295	391.6	553.5	24
373	207	583	505	329	484	361	407.7	428	388	295	392.1	577.2	25
373	207	576	502	328	474	363	405.8	427	388	295	391.5	588.2	26
373	210	570	497	327	483	363	404.7	424	390	295	390.0	584.2	27
393	210	572	491	327	468	363	404.2	424	388	295	390.4	585.5	28
410	210	579	489	326	458	362	405.3	418	388	295	386.5	581.9	29
410	210	584	497	325	472	362	408.6	418	388	295	386.5	589.1	30
431	210	594	497	326	473	361	411.3	421	388	296	388.5	590.5	31
439	210	608	503	327	481	361	415.9	422	390	296	389.3	588.8	32
443	210	627	502	327	492	362	418.6	417	390	296	386.1	581.1	33
443	210	635	503	327	486	364	419.5	417	390	296	386.3	591.7	34
443	210	637	505	327	492	363	420.4	417	390	297	386.4	590.5	35
448	207	627	504	328	491	364	418.6	417	390	298	386.1	591.7	36
435	207	638	498	327	477	364	416.4	417	390	297	386.6	589.3	37
445	210	633	495	327	468	363	416.3	421	390	298	388.6	590.6	38
445	210	625	492	328	490	363	415.8	418	390	298	387.1	589.3	39
433	210	619	490	328	439	362	411.1	418	394	298	386.9	594.1	40
433	210	618	495	328	449	362	413.0	416	394	298	386.8	594.0	41
433	210	626	492	328	435	362	412.3	417	394	298	387.7	592.9	42
433	210	629	493	328	440	362	413.1	415	394	298	386.6	588.6	43
433	210	626	489	328	454	372	412.9	416	392	299	386.9	591.0	44
433	210	618	491	327	457	372	412.5	415	394	301	386.9	592.8	45
410	210	608	487	327	434	372	407.6	413	394	301	385.0	577.7	46
410	210	593	485	328	436	372	405.4	410	392	302	384.1	579.4	47
410	210	579	483	328	432	372	403.2	410	392	302	384.0	574.9	48
410	210	579	484	328	421	387	403.7	411	392	302	384.2	569.7	49
410	210	580	485	328	418	387	403.9	411	392	302	384.5	568.4	50
410	210	578	485	328	418	387	403.8	410	392	302	383.9	567.1	51
410	210	569	482	328	403	376	400.6	410	392	302	384.1	567.2	52

(d) Comprising timber and coir yarn. (e) Comprising shoes, tyres and tubes, cement, paper, matches, glass, soap, chemicals, paints, cigarettes, liquors and dyestuffs. (f) Comprising vanaspathi dalda, spices and condiments, betelnuts, cashewnuts, bricks and tiles and tobacco leaf.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 19**INDEX NUMBERS OF WHOLESALE PRICES (ANNUAL AND MONTHLY)**

(Base : Year ended August 1939 = 100)

Average of Weeks				General Index (100)	Food Articles (31)	Industrial Raw Materials (18)	Semi- Manu- factures (17)	Manu- factured Articles (30)	Miscel- laneous (4)
1951-52	..	..	..	434.6	398.6	591.9	374.4	401.5	721.6
1952-53	..	..	..	380.6	357.8	435.9	343.8	371.2	614.1
1953-54	..	..	..	397.5	384.4	467.7	359.2	367.4	686.6
1954-55	..	..	..	377.5	339.8	436.2	350.3	377.4	612.4
1955-56	..	..	..	360.4	313.2	419.8	338.2	372.9	546.4
1956-57	..	..	..	414.0	388.5	501.9	402.3	384.6	559.3
April	1955	..	..	345.4	283.6	398.6	327.8	377.1	541.2
May	"	..	..	342.0	276.1	396.4	329.6	374.6	544.6
June	"	..	..	342.5	281.8	390.4	329.7	370.0	567.4
July	"	..	..	355.6	309.7	408.1	329.6	370.9	562.6
August	"	..	..	357.2	317.5	404.4	326.1	371.2	563.1
September	"	..	..	353.2	313.0	396.1	324.8	368.8	556.0
October	"	..	..	357.2	315.7	403.7	329.8	371.2	559.3
November	"	..	..	365.0	326.5	418.9	338.1	373.3	543.3
December	"	..	..	368.4	323.7	438.3	346.6	373.0	544.2
January	1956	..	..	376.0	333.4	454.2	353.5	375.2	540.0
February	"	..	..	378.4	335.3	464.6	355.8	375.3	529.3
March	"	..	..	387.4	351.6	475.6	369.8	374.9	508.1
April	"	..	..	391.3	360.9	472.8	377.4	375.8	496.7
May	"	..	..	390.3	350.5	478.0	384.1	376.9	501.8
June	"	..	..	397.9	366.2	479.4	391.8	377.6	518.6
July	"	..	..	409.2	380.6	492.3	395.2	385.7	560.4
August	"	..	..	418.5	397.0	500.5	406.4	387.7	565.3
September	"	..	..	419.8	393.1	507.0	408.3	391.4	567.1
October	"	..	..	417.8	392.5	502.4	405.6	387.9	585.2
November	"	..	..	427.7	411.6	514.2	416.3	387.6	590.6
December	"	..	..	428.8	413.9	517.1	417.5	386.9	590.3
January	1957	..	..	422.3	392.1	525.0	412.4	387.4	592.7
February	"	..	..	425.0	406.0	520.5	410.6	385.5	585.2
March	"	..	..	421.3	402.7	518.1	403.3	384.1	569.6

Note.—Figures in brackets refer to weightage.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 20

CONSUMER PRICE INDEX NUMBERS (WORKING CLASS)

(Base : 1949 = 100)

			All-India	Bombay	Calcutta	Delli	Madras	Ahmeda- bad	Banga- lore	Jam- shedpur	Kanpur
Annual Average											
1951-52	..	..	104	108	106	108	101	104	116	116	94
1952-53	..	..	104	112	100	107	103	107	115	111	93
1953-54	..	..	106	118	99	107	109	111	113	110	94
1954-55	..	..	99	117	94	103	104	93	104	101	83
1955-56	..	..	96	110	93	100	109	89	104	99	79
1956-57	..	..	107	116	102	112	113	101	118	108	91
Monthly Indices											
March	1951	..	103	108	102	105	102	108	113	114	92
March	1952	..	98	102	98	103	103	92	113	109	86
March	1953	..	104	117	96	103	109	107	114	107	94
March	1954	..	101	114	92	105	105	104	109	99	87
March	1955	..	94	111	89	96	99	82	101	96	79
March	1956	..	100	114	93	105	105	95	108	103	83
April	..	..	103	117	97	106	119	96	111	104	86
May	..	..	104	116	98	106	110	95	112	104	85
June	..	..	106	117	101	107	113	97	113	106	88
July	..	..	107	115	105	109	115	98	115	107	91
August	..	..	109	118	106	111	115	102	117	108	93
September	..	..	108	115	105	112	114	103	118	113	93
October	..	..	109	117	105	116	112	107	118	111	94
November	..	..	110	116	104	117	114	105	120	111	93
December	..	..	109	116	102	115	115	104	122	108	91
January	1957	..	107	116	102	113	115	102	122	104	91
February	..	..	107	116	101	114	113	102	122	107	92
March	..	..	107	116	100	114	114	102	122	107	91

Source : The Indian Labour Gazette.

STATE MONEY SUPPLY

CURRENCY WITH THE PUBLIC

Last Friday		India and <i>Hali Sica</i> notes in circulation (b)	Circulation of India and <i>Hali Sica</i> rupee coin (c)	Balances of Central and State Govern- ments held at Treasuries (d)	Cash on hand of scheduled and reporting non-scheduled and State co-operative banks	Currency with the public (including <i>Hali Sica</i> Currency) (1+2+3+4)	Variations in currency with the public	
		1	2	3	4	5	6	
1	1951-52	..	1,128.29	131.11	3.70	39.13	1,216.57	-114.84(f)
2	1952-53	..	1,119.06	125.22	7.34	37.69	1,199.25	-17.32
3	1953-54	..	1,150.17	120.71	4.26	37.19	1,229.43	-30.18
4	1954-55	..	1,236.44	115.01	2.83	36.85	1,311.77	-82.34
5	1955-56	..	1,424.23	123.45	1.14	41.45	1,505.09	-193.32
6	1956-57	..	1,483.20	118.30	5.31	39.70	1,556.50	-51.41
7	April 1955	..	1,269.69	117.59	5.19	39.22	1,342.87	-31.10
8	May	..	1,274.72	119.15	4.86	40.60	1,348.41	-5.54
9	June	..	1,269.22	119.42	5.41	39.49	1,343.74	-4.67
10	July	..	1,249.74	116.94	5.16	36.72	1,324.80	-18.94
11	August	..	1,243.26	114.71	5.17	38.07	1,314.74	-10.06
12	September	..	1,238.31	113.70	4.94	37.40	1,309.67	-5.07
13	October	..	1,263.87	114.41	5.09	41.79	1,331.40	-21.73
14	November	..	1,281.67	115.36	5.38	40.41	1,351.24	-19.84
15	December	..	1,319.80	117.46	5.18	46.20	1,385.89	-34.65
16	January 1956	..	1,336.84	118.72	5.39	42.50	1,407.67	-21.78
17	February	..	1,360.53	120.23	5.24	39.84	1,435.69	-28.02
18	March	..	1,424.23	123.45	1.14	41.45	1,505.09	-69.40
19	April	..	1,462.53	124.94	5.99	43.31	1,538.18	-33.09
20	May	..	1,463.59	126.32	4.99	45.25	1,539.66	-1.48
21	June	..	1,432.09	125.18	5.31	47.49	1,504.48	-35.18
22	July	..	1,401.67	121.25	5.25	43.38	1,474.28	-30.20
23	August	..	1,381.86	118.46	5.37	43.12	1,451.77	-22.51
24	September	..	1,366.44	115.07	4.83	40.73	1,435.95	-15.82
25	October	..	1,376.02	114.53	4.48	43.56	1,442.52	-6.57
26	November	..	1,395.66	114.09	6.35	41.40	1,462.01	-19.49
27	December	..	1,423.18	115.05	7.70	45.20	1,485.34	-23.33
28	January 1957	..	1,442.63	115.32	10.16	37.89	1,509.90	-24.56
29	February	..	1,463.36	117.39	10.26	42.17	1,528.31	-18.41
30	March	..	1,483.20	118.30	5.31	39.70	1,556.50	-28.19

Note. No adjustments have been made for the net inward or outward movements of currency.

(a) Figures are provisional and do not include small coin in circulation. (b) Figures are net of the return of about Rs. 43 crores of India notes from Pakistan awaiting adjustment. (c) Estimates (for details see footnote to Statement 86

MENT 21**WITH THE PUBLIC (a)**

DEPOSIT MONEY				(Crores of Rupees)		
Demand liabilities (excluding inter-bank demand deposits) of scheduled and reporting non-scheduled and State co-operative banks	'Other deposits' with the Reserve Bank (e)	Deposit money with the public (7 + 8)	Variations in deposit money	Money Supply with the public (including Hali Sicca Currency) (5 + 9)	Variations in money supply with the public (6 + 10)	
7	8	9	10	11	12	
567.62	19.60	587.22	60.08	1,803.79	174.92 (f)	1
548.95	16.51	565.46	21.76	1,764.71	39.08	2
549.83	14.71	564.54	0.92	1,793.97	29.26	3
599.16	9.71	608.86	44.31	1,920.63	126.65	4
667.22	12.01	679.23	70.37	2,184.32	263.69	5
744.74	11.65	756.39	77.16	2,312.89	128.57	6
614.26	10.98	625.23	16.37	1,968.11	47.48	7
616.96	9.96	626.92	1.69	1,975.33	7.22	8
623.43	10.03	633.46	6.54	1,977.20	1.87	9
619.53	10.39	629.92	3.54	1,954.72	22.48	10
632.86	11.60	644.45	14.53	1,959.19	4.47	11
632.36	11.70	644.07	0.38	1,953.74	5.45	12
635.72	11.12	646.85	2.78	1,978.24	24.50	13
640.40	10.81	651.21	4.36	2,002.46	24.22	14
650.14	11.14	661.28	10.07	2,047.17	44.71	15
674.12	12.43	686.55	25.27	2,094.21	47.04	16
661.97	11.31	673.28	13.27	2,108.97	14.76	17
667.22	12.01	679.23	5.95	2,184.32	75.35	18
677.43	12.50	689.93	10.70	2,228.11	43.79	19
675.69	10.61	686.31	3.62	2,225.97	2.14	20
673.49	11.16	684.65	1.66	2,189.13	36.84	21
663.32	10.30	673.62	11.03	2,147.90	41.23	22
672.79	10.35	683.15	9.53	2,134.92	12.98	23
662.92	10.54	673.46	9.69	2,109.41	25.51	24
669.64	10.84	680.48	7.02	2,123.00	13.59	25
677.99	11.46	689.45	8.97	2,151.46	28.46	26
681.35	11.96	693.31	3.86	2,178.65	27.19	27
700.80	10.77	711.57	18.26	2,221.47	42.82	28
724.46	11.78	736.24	24.67	2,264.55	43.08	29
744.74	11.65	756.39	20.15	2,312.89	48.34	30

of the Report for 1953-54). (d) Figures are as on last day of the month/year. (e) Excluding balance held on I. M. F. Account No. 1. (f) Figures are net of adjustments made in respect of India notes returned from circulation in Aden.

STATE

SEASONAL VARIATIONS IN MONEY

	1951-52		1952-53	
	Slack season	Busy season	Slack season	Busy season
	1	2	3	4
Money Supply with the Public (a)				
1. Currency with the public (b)	150.5	+ 33.1	90.6	+ 87.7
2. Demand liabilities (net) of banks (c)	- 10.1	- 23.4	- 21.0	- 1.1
3. Other Deposits with the Reserve Bank (d)	- 9.0	0.8	- 8.8	+ 1.6
4. Total Money Supply with the public (1 + 2 + 3)	189.6	+ 8.9	- 120.4	+ 88.2
Allied Data (e)				
5. Central Government's deposits with the Reserve Bank	+ 45.0	- 53.7	+ 13.9	- 47.7
6. Other Governments' deposits with the Reserve Bank	- 11.4	- 10.1	+ 5.7	+ 0.5
7. Foreign assets held by the Reserve Bank	- 81.1	- 96.2	6.8	+ 23.2
8. Rupee securities held by the Reserve Bank	- 21.0	- 35.4	+ 8.8	13.7
9. Loans and advances to Governments by the Reserve Bank	- 1.7	- 3.9	+ 2.4	+ 0.5
10. Other loans and advances by the Reserve Bank	- 8.1	+ 36.2	- 33.4	+ 10.8
11. Bills purchased and discounted by the Reserve Bank	- 5.3	+ 4.0	- 9.5	+ 11.2
12. Cash on hand and Balances with the Reserve Bank, of banks (c)	+ 24.5	- 32.8	+ 16.7	- 21.7
13. Time liabilities (net) of banks (c)	- 6.9	- 4.4	+ 27.3	+ 12.9
14. Advances and bills purchased and discounted (f) in India, of banks (c)	- 68.7(h)	+ 70.5	- 106.1	+ 70.6
15. Investments in Government securities (g), by banks (c)	+ 9.0(i)	- 21.3(i)	+ 21.8	10.9

Note. — The slack season is from May to October and the busy season is from November to April.
No adjustments have been made for the net inward or outward movements of currency.

(a) Figures are provisional.

(b) Including *Hali Sicca* currency.

(c) Scheduled banks and reporting non-scheduled and State co-operative banks.

(d) Excluding balances held on I. M. F. Account No. 1.

MENT 22**SUPPLY AND ALLIED DATA**

(Crores of Rupees)

1953-54		1954-55		1955-56		1956-57		Outstanding as on April 26, 1957 13
Slack season	Busy season	Slack season	Busy season	Slack season	Busy season	Slack season	Busy season	
5	6	7	8	9	10	11	12	
100.2	+ 133.3	66.6	+ 157.4	11.5	+ 296.8	— 95.7	+ 149.5	1,592.0
— 9.6	+ 10.9	— 21.0	+ 35.2	+ 21.5	— 41.7	— 7.8	+ 93.1	762.8
1.6	+ 4.9	5.8	+ 0.7	+ 0.1	+ 1.4	1.7	+ 1.7	12.5
+ 111.3	+ 149.2	51.4	+ 193.4	+ 10.1	+ 249.9	— 105.1	+ 244.3	2,367.3
— 4.8	+ 22.1	+ 16.7	— 52.4	— 1.7	+ 9.3	— 4.4	— 1.3	52.8
+ 14.9	+ 2.2	8.8	+ 12.5	— 4.8	— 3.2	+ 0.8	— 21.4	6.4
16.1	— 51.9	— 26.8	— 10.2	— 2.8	+ 13.3	— 143.4	— 77.3	504.9
30.6	+ 17.6	24.8	+ 62.8	+ 18.6	+ 148.9	+ 33.0	+ 261.5	1,037.3
3.9	+ 0.7	0.1	+ 0.2	— 0.9	+ 1.8	+ 1.6	+ 12.9	16.3
9.2	+ 43.2	35.2	+ 16.7	15.9	+ 50.1	+ 13.6	+ 12.9	96.2
11.1	+ 9.6	7.7	+ 8.5	— 4.9	+ 5.3	7.7	+ 7.7	12.5
— 15.9	— 16.5	+ 28.4	+ 20.9	+ 12.0	— 5.5	+ 0.6	+ 16.3	109.7
+ 11.6	+ 1.1	+ 24.0	+ 31.5	+ 40.8	+ 7.6	+ 32.6	+ 47.2	563.0
75.5	+ 105.4	+ 50.2	+ 98.4	— 26.5	+ 169.4	+ 11.6	+ 155.0	990.2
+ 39.9	+ 16.0	+ 28.2	— 4.9	+ 53.6	— 37.6	+ 17.8	+ 27.6	383.8

(a) Figures are gross variations; no adjustments have been made in respect of extra-ordinary transactions.

(f) Excluding money at call and short notice; bills relate to inland bills only upto May 7, 1954 and both inland and foreign bills thereafter.

(g) At book value; include Treasury bills and Treasury Deposit Receipts.

(h) Including money at call and short notice.

(i) Relates to scheduled and reporting non-scheduled banks only and is based on Form XIII submitted under Section 27(1) of the Banking Companies Act.

STATEMENT 23

VARIATIONS IN MONEY SUPPLY AND ALLIED DATA DURING 1951-52 TO 1956-57

(Crores of Rupees)

	1951-52	1952-53	1953-54	1954-55	1955-56	Total for the five years 1951-52 to 1955-56	1956-57	Out- standing as on March 29, 1957
	1	2	3	4	5	6	7	8
Money Supply with the Public (a)								
1. Currency with the public (b)	-114.8	-17.3	+30.2	+82.3	+193.3	+173.7	+51.4	1,556.5
2. Demand liabilities (net) of banks (c)	-53.7	-18.7	+0.9	+49.3	+68.1	+45.9	+77.5	744.7
3. Other deposits with the Reserve Bank (d)	-6.4	-3.1	+1.8	+5.0	+2.3	-14.0	-0.4	11.6
4. Total Money Supply with the Public (1 + 2 + 3)	-174.9	-39.1	+29.3	+126.6	+263.7	+205.6	+128.6	2,312.9
Allied Data (e)								
5. Central Government deposits with the Reserve Bank	+18.1	+44.4	-70.0	-6.3	+7.9	-94.7	-2.8	64.6
6. Other Governments' deposits with the Reserve Bank	+1.3	+5.2	+42.7	-2.3	+1.8	+35.6	+30.1	32.0
7. Foreign assets held by the Reserve Bank	+161.1	+0.6	+29.3	-23.0	+16.1	-138.1	-219.3	526.8
8. Rupee Securities held by the Reserve Bank	-19.1	+20.8	-58.5	+65.8	+172.7	+140.2	+280.2	1,006.2
9. Loans and advances to Govern- ments by the Reserve Bank	-0.6	+2.4	-2.8	-0.1	-0.5	-1.6	+7.7	7.7
10. Other loans and advances by the Reserve Bank	+44.6	-34.4	+14.2	+6.8	+32.1	+63.2	+47.9	127.9
11. Bills purchased and discounted by the Reserve Bank	-4.5	+5.1	+1.9	-0.4	+1.9	+4.0	-9.3	2.9
12. Cash on hand and balances with the Reserve Bank, of banks (e)	-15.3	-3.5	-2.4	+5.2	+7.7	-8.3	+3.8	95.2
13. Timeliabilities (net) of banks (e)	+8.8	+35.4	+16.4	+51.7	+42.6	+137.3	+62.6	533.9
14. Advances and bills purchased and discounted (f) in India, of banks (e)	+47.9(h)	-49.8	+8.1	+65.1	+147.9	+205.7*	+152.4	980.7
15. Investments in Government securities (g), by banks (e)	-24.9(i)	+8.9	+18.1	+28.1	+21.2	+51.4	-11.8	386.5

Note.—No adjustments have been made for the net inward or outward movements of currency. (a) Figures are provisional. (b) Including *Hali Sicca* currency. (c) Scheduled banks and reporting non-scheduled and State co-operative banks. (d) Excluding balances held on I.M.F. Account No. 1. (e) Figures are gross variations; no adjustments have been made in respect of extra-ordinary transactions. (f) Excluding money at call and short notice; bills relate to inland bills only upto May 7, 1954 and both inland and foreign bills thereafter. (g) At book value; include Treasury bills and Treasury Deposit Receipts. (h) Including money at call and short notice. (i) Relates to scheduled and reporting non-scheduled banks only and is based on Form XIII submitted under Section 27(1) of the Banking Companies Act. * After making adjustment for a decline of Rs. 13.5 crores in foreign bills purchased and discounted between March 1951 and April 1954, as revealed by a Survey conducted by the Department of Research and Statistics, Reserve Bank of India.

STATEMENT 24

SEASONAL TRENDS IN SELECTED ITEMS OF SCHEDULED BANKS' LIABILITIES AND ASSETS

Season	Net Demand Liabilities	Net Time Liabilities	Total Net Liabilities (1+2)	Borrowings from Reserve Bank	Cash and Balances with Reserve Bank	Cash ratio* at the end of the period	Investments in Government Securities§	Investments ratio @ the end of the period	Bank credit†	Credit-deposits ratio †† at the end of the period
	1	2	3	4	5	6	7	8	9	10
Slack 1951 ..	— 8,75	— 7,33	— 16,08	— 3,81	— 27,11	17.6	— 9,20	36.3	— 72,12	55.3
Busy 1951-52 ..	— 22,37	— 3,46	— 25,83	— 33,81	— 32,98	4	— 20,27	55.2	— 72,34	67.4
Slack 1952 ..	— 15,60	— 27,61	— 43,21	— 2,81	— 17,30	11.4	— 22,14	37.5	— 104,81	54.3
Busy 1952-53 ..	— 5,50	— 7,35	— 1,85	— 10,29	— 22,88	5.7	— 14,08	35.6	— 67,16	61.1
Slack 1953 ..	— 5,59	— 11,97	— 6,38	— 16,31	— 16,58	66.7	— 38,38	49.0	— 76,27	52.9
Busy 1953-54 ..	— 9,55	— 2,08	— 7,47	— 42,80	— 17,25	5.7	— 16,16	37.7	— 105,47	64.7
Slack 1954 ..	— 22,63	— 25,52	— 48,15	— 27,70	— 28,37	11.9	— 26,77	38.7	— 49,19	58.2
Busy 1954-55 ..	— 29,09	— 28,74	— 57,82	— 20,56	— 20,50	5.4	— 5,19	33.8	— 98,18	64.9
Slack 1955 ..	— 20,67	— 37,84	— 58,51	— 21,67	— 12,11	9.1	— 47,51	38.4	— 31,55	58.0
Busy 1955-56 ..	— 36,95	— 5,00	— 41,95	— 50,35	— 6,74	5.1	— 36,93	54.5	— 164,49	71.2
Slack 1956 ..	— 5,17	— 29,66	— 24,48	— 1,91	— 1,02	5.9	— 16,05	34.2	— 3,67	70.0
Busy 1956-57 ..	— 86,66	— 46,42	— 133,08	— 14,50	— 16,60	5.3	— 26,68	28.2	— 148,47	74.5
Outstanding as on April 26, 1957 ..	720.09	500.41	1,220.50	72.71	103.30		344.48		909.14	

Note.—The slack season is from May to October and the busy season is from November to April.

*Percentage of Cash and Balances with the Reserve Bank of India to Net Liabilities. †At bank value; include Treasury Bills and Treasury Deposit Receipts. ††Includes Money at call and short notice upto November 2, 1951 and foreign bills purchased and discounted in India from May 14, 1954. §Percentage of Investments in Government Securities to Net Liabilities. ††Percentage of Bank Credit to Net Liabilities.

STATE CONSOLIDATED POSITION OF SCHEDULED

	Average of Friday figures	No. of Reporting Banks at the end of period	Demand Liabilities		Percentage of (3) to (8)	Time Liabilities		Total Gross Liabilities (2 + 3 + 5 + 6)	Total Net liabilities (3 + 6)	Savings Deposits**	Borrowings from	
			Borrowings from banks*	Others		Borrowings from banks*	Others				Reserve Bank	State Bank
		1	2	3	4	5	6	7	8	9	10	11
1 1951-52	..	94	23,20	570,53	66.3	61	290,21	884,55	860,74	135,66	13,82	
2 1952-53	..	91	13,04	533,19	63.5	3,43	305,83	855,49	830,02	138,05	11,20	5,38†
3 1953-54	..	89	11,13	515,62	61.5	2,08	326,18	855,01	841,80	142,14	10,46	8,27
4 1954-55	..	88	9,88	549,74	61.1	2,18	349,68	911,48	899,42	151,57	14,94	6,67
5 1955-56	..	89	9,20	599,44	59.7	3,86	404,09	1,016,59	1,003,54	169,40	24,51	7,67
6 1956-57	..	89	9,66	643,69	58.8	2,70	451,22	1,107,27	1,094,91	190,51	63,45	10,13
7 April	1955..	88	8,86	578,80	60.5	1,77	378,64	968,07	957,44	154,70	27,51	6,53
8 May	" ..	88	8,46	577,34	60.0	2,21	384,23	972,24	961,57	155,52	31,81	5,48
9 June	" ..	88	11,10	583,67	59.9	3,35	390,52	988,64	974,19	156,99	19,27	3,46
10 July	" ..	89	10,64	589,59	59.6	3,88	399,31	1,003,42	988,90	159,62	22,40	3,24
11 August	" ..	89	10,42	594,43	59.5	3,83	405,29	1,013,96	999,72	160,95	13,66	5,78
12 September	" ..	89	10,01	594,03	59.1	3,38	410,28	1,017,71	1,004,32	162,63	15,19	7,22
13 October	" ..	89	12,22	600,64	59.0	5,60	417,36	1,035,80	1,017,99	163,34	6,44	4,31
14 November	" ..	89	13,55	598,82	58.9	6,26	417,53	1,036,15	1,016,34	163,27	9,63	6,42
15 December	" ..	89	9,50	605,23	59.3	6,09	414,95	1,035,78	1,020,19	165,06	17,10	7,27
16 January	1956..	89	6,18	631,22	60.7	3,63	408,09	1,049,12	1,039,32	164,68	28,80	11,16
17 February	" ..	89	5,68	625,41	60.3	3,33	411,88	1,046,30	1,037,29	166,48	38,43	12,94
18 March	" ..	89	4,46	617,19	60.0	3,20	412,31	1,037,15	1,029,50	169,40	59,15	17,43
19 April	" ..	89	6,88	642,28	60.4	2,94	421,36	1,073,46	1,063,64	172,89	51,75	10,75
20 May	" ..	89	7,24	631,05	59.5	2,98	429,65	1,070,92	1,060,70	174,62	66,92	10,15
21 June	" ..	89	7,86	629,50	58.7	3,08	443,45	1,083,88	1,072,95	178,76	58,82	7,30
22 July	" ..	89	11,28	627,66	58.1	3,36	452,59	1,094,88	1,080,24	180,05	46,14	6,11
23 August	" ..	89	15,35	629,97	58.0	3,33	457,10	1,105,74	1,087,07	182,10	37,53	6,87
24 September	" ..	89	10,29	626,68	57.8	2,21	457,43	1,096,60	1,084,11	183,36	59,30	12,56
25 October	" ..	89	10,79	629,00	58.2	2,56	452,54	1,094,89	1,081,54	183,26	63,19	12,12
26 November	" ..	89	12,61	636,01	58.3	2,55	454,66	1,105,83	1,090,67	183,89	60,37	11,04
27 December	" ..	89	10,02	642,07	58.4	2,90	457,52	1,112,50	1,099,58	185,94	66,96	9,56
28 January	1957..	89	6,11	653,60	58.9	2,36	456,70	1,118,77	1,110,31	186,27	75,40	11,76
29 February	" ..	89	6,82	676,19	59.4	2,19	462,76	1,147,97	1,138,95	186,82	88,56	14,17
30 March	" ..	89	9,11	696,06	59.9	1,92	465,04	1,172,13	1,161,10	190,51	88,55	10,34

* Excluding borrowings from Reserve Bank of India and, with effect from April 18, 1952 also those from the State Bank of India (Imperial Bank of India before July 1, 1955).

** Annual figures for savings deposits are as on the last Friday of March and monthly figures as on the last Friday of the month. For the purpose of Section 42 of the Reserve Bank of India Act, savings deposits are classified under demand and time liabilities according to the rules of various scheduled banks in respect of withdrawals of these deposits.

† Average of 50 weeks.

MENT 25

BANKS (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Cash	Balances with Reserve Bank	Excess of (13) over the Statutory Minimum	Total Cash and Balances with Reserve Bank	Percentage of (15) to (8)	Balances with other Banks in Current Account	Money at Call and Short Notice	Investments in Government Securities	Percentage of (19) to (8)	Bills Discounted	Purchased and Foreign*	Advances	Total Bank Credit (21 + 22 + 23)	Percentage (21) to (8)
12	13	14	15	16	17	18	19	20	21	22	23	24	25
37,33	57,29	21,79	94,62	11.0	11,91**	11,40**	303,48**	35.3	22,81	..	523,59	546,40	63.5
33,33	51,82	18,32	85,15	10.1	11,57	17,26	306,34	36.5	38,47	..	461,64	500,11	59.6
31,97	44,84	11,94	76,81	9.1	11,02	15,07	321,29	38.2	51,40	..	442,79	494,19	53.2
32,66	53,91	18,89	86,56	9.6	10,51	15,82	339,74	37.8	58,19	26,47	468,39	553,05	61.2
34,64	52,52	13,93	87,16	8.7	10,75	15,62	370,71	36.9	74,70	43,38	514,37	632,45	63.0
36,94	50,23	8,48	87,17	8.0	10,51	13,11	359,35	32.8	105,44	50,12	626,09	781,65	71.1
34,49	46,63	9,64	81,12	8.5	10,83	14,38	342,87	35.8	81,87	37,92	507,74	627,53	65.4
34,70	47,11	10,09	81,81	8.5	10,12	15,17	344,56	35.8	81,38	38,39	504,30	624,06	61.9
34,51	49,58	11,97	84,09	8.6	16,82	18,70	345,47	35.5	75,27	40,19	499,62	615,08	63.1
33,81	49,47	11,40	83,28	8.1	10,99	19,51	362,76	36.7	69,75	40,94	499,41	610,10	61.7
34,17	49,18	10,76	83,36	8.5	10,54	19,39	373,94	37.4	69,48	41,33	495,97	606,78	60.7
33,21	54,10	15,62	87,31	8.7	10,54	18,13	381,74	38.0	62,25	43,94	498,08	604,27	60.2
34,01	59,66	20,55	93,67	9.2	10,54	23,20	390,31	38.3	59,96	45,63	484,67	590,26	58.0
35,17	57,02	17,92	92,19	9.1	10,70	22,06	394,06	38.8	58,86	46,17	491,91	596,93	58.7
35,18	58,47	19,31	93,65	9.2	11,38	16,27	390,63	38.3	61,33	47,00	507,30	615,63	60.3
36,82	56,70	16,60	93,53	9.0	11,27	9,20	382,12	36.8	82,67	48,02	534,80	665,49	61.0
35,18	54,67	14,81	89,85	8.7	10,72	7,25	378,03	36.4	92,60	45,65	551,25	689,50	66.5
34,83	48,94	9,55	83,78	8.1	10,19	5,32	364,77	35.4	100,48	45,74	589,81	736,03	71.5
37,72	51,02	10,07	88,74	8.3	11,18	8,02	356,67	33.5	103,85	47,09	604,98	755,92	71.1
37,75	48,68	8,12	86,44	8.2	10,36	9,08	354,35	33.4	107,33	45,75	614,18	767,26	72.3
38,20	49,95	9,16	88,16	8.2	11,38	10,79	348,81	32.5	103,44	47,97	611,97	763,38	71.2
37,76	49,78	8,71	87,54	8.1	10,70	15,63	349,44	32.4	97,28	46,68	603,68	747,64	69.2
36,86	50,29	8,82	87,15	8.0	10,86	20,94	361,50	33.3	97,77	46,09	593,10	736,96	67.8
36,02	50,61	9,57	86,63	8.0	10,41	12,65	372,06	34.3	96,95	46,18	612,96	756,09	69.7
38,16	49,06	7,97	87,22	8.1	10,16	13,52	372,95	31.5	97,48	49,56	612,27	759,32	70.2
36,34	50,63	9,06	86,97	8.0	9,90	17,09	365,92	33.6	111,45	51,40	601,39	764,24	70.1
36,68	50,90	9,08	87,57	8.0	10,89	13,37	364,88	33.2	114,64	53,98	611,97	780,58	71.0
35,49	49,32	7,15	84,81	7.6	10,43	9,03	362,67	32.7	113,08	52,86	647,60	813,53	73.3
36,01	50,29	6,84	86,30	7.6	9,69	10,95	357,27	31.4	111,33	55,00	687,62	853,85	75.0
36,28	51,79	7,19	88,07	7.6	10,10	13,68	348,75	30.0	110,34	58,11	708,71	877,16	75.6

§ At book value including Treasury bills and Treasury Deposit Receipts.

@Advances exclude 'Money at Call and Short Notice, and 'Inland Bills Purchased' from November 1951, the latter being included under column 21 as from that month.

\$Average of 46 weeks. *Called for from May 14, 1954. **Average of 21 weeks from November 1951 to March 1952.

STATE

CONSOLIDATED POSITION OF SCHEDULED

		Demand Liabilities		Time Liabilities		Total Gross Liabilities (2 + 3 + 4 + 5)	Borrowings from				Cash in India	Balance with Reserve Bank
		No. of Reporting banks	Borrowings from banks	Others	Borrowings from banks	Others	Total Net Liabilities (3 + 5)	Reserve Bank	State Bank			
As at the close of last Friday		1	2	3	4	5	6	7	8	9	10	11
1	1951-52	.. 94	25,34	541,95	95	280,10	848,34	822,05	54,13	10,46	33,97	11,78
2	1952-53	.. 91	11,52	521,30	1,88	309,24	843,93	830,53	18,87	10,46	32,66	42,71
3	1953-54	.. 89	6,94	521,82	1,38	325,64	855,77	847,46	31,00	11,50	32,07	40,81
4	1954-55	.. 88	6,98	567,28	1,56	375,32	951,14	942,60	37,07	8,07	31,62	46,11
5	1955-56	.. 89	4,87	630,80	3,01	412,35	1,051,02	1,043,15	65,08	19,71	35,84	48,90
6	1956-57	.. 89	8,27	703,61	1,97	471,69	1,185,54	1,175,39	103,16	11,60	33,98	54,20

1956-57 (Weekly)

As at the close of

1956

7	April	6	.. 89	6,16	645,28	2,92	415,81	1,070,16	1,061,09	50,88	14,33	38,40	54,79
8	"	13	.. 89	7,04	643,86	2,93	420,51	1,074,34	1,064,37	49,42	10,64	37,12	49,60
9	"	20	.. 89	7,01	641,38	2,96	424,79	1,076,14	1,066,17	50,80	8,84	37,91	50,87
10	"	27	.. 89	7,29	638,60	2,96	424,33	1,073,18	1,062,93	55,90	9,20	37,46	48,81
11	May	4	.. 89	7,17	630,50	2,86	426,67	1,067,20	1,057,17	62,68	10,55	36,84	49,20
12	"	11	.. 89	7,52	624,62	2,71	429,16	1,064,01	1,053,78	73,46	10,60	36,02	48,58
13	"	18	.. 89	6,98	631,30	3,11	430,45	1,071,84	1,061,75	67,59	9,64	38,63	48,20
14	"	25	.. 89	7,29	637,78	3,21	432,33	1,080,61	1,070,11	63,95	9,83	39,52	48,75
15	June	1	.. 89	7,38	630,80	3,21	438,14	1,079,54	1,068,95	65,76	8,66	37,22	50,09
16	"	8	.. 89	8,71	627,47	2,91	441,54	1,080,63	1,069,00	60,42	8,01	37,39	49,41
17	"	15	.. 89	8,89	626,50	2,82	443,97	1,082,18	1,070,47	58,37	7,52	37,74	49,27
18	"	22	.. 89	8,34	626,20	3,22	446,46	1,084,22	1,072,66	56,33	7,00	37,38	48,27
19	"	29	.. 89	5,96	636,55	3,22	447,12	1,092,85	1,083,67	53,22	5,33	41,28	52,73
20	July	6	.. 89	10,86	627,86	3,22	452,07	1,094,01	1,079,93	44,81	6,80	37,17	49,38
21	"	13	.. 89	13,29	631,16	3,17	453,34	1,100,96	1,084,49	38,50	5,59	37,42	49,99
22	"	20	.. 89	9,17	623,88	3,41	451,51	1,087,97	1,075,39	54,00	6,29	38,51	49,35
23	"	27	.. 89	11,78	627,73	3,63	453,43	1,096,58	1,081,17	47,27	5,76	37,95	50,39
24	August	3	.. 89	12,81	622,78	3,86	454,43	1,093,89	1,077,21	36,56	6,95	35,75	49,54
25	"	10	.. 89	13,90	623,16	3,86	456,46	1,097,39	1,079,62	44,58	7,09	35,71	49,20
26	"	17	.. 89	15,93	628,84	3,15	456,99	1,104,91	1,085,83	40,87	6,68	37,66	50,36
27	"	24	.. 89	17,06	637,71	2,90	459,04	1,116,70	1,096,75	34,63	6,35	37,64	50,78
28	"	31	.. 89	17,03	637,34	2,90	458,57	1,115,83	1,095,91	30,99	7,27	37,53	51,57

MENT 26**BANKS (ANNUAL AND WEEKLY)**

(Lakhs of Rupees)

Excess of 11 over the Statutory Minimum	Total Cash and Balances with the Reserve Bank (10 + 11)	Perce- ntage of (13) to (7)	Balances with other Banks in Current Account	Money at Call and Short Notice	Invest- ments in Govern- ment Securi- ties*	Perce- ntage of (17) to (7)	Bills Purchased and Discounted		Advances	Total Bank Credit (19 + 20 + 21)	Percentage of (22) to (7)	
							Inland	Foreign				
12	13	14	15	16	17	18	19	20	21	22	23	
10,80	78,75	9.6	11,45	12,16	296,05	36.0	50,40	..	530,05	580,45	70.6	1
9,81	75,39	9.1	10,71	12,68	303,31	36.5	54,64	..	473,98	528,62	63.6	2
7,85	72,90	8.6	11,34	9,37	318,88	37.6	68,36	..	469,83	538,19	63.5	3
9,93	77,80	8.3	9,82	11,35	344,15	36.5	77,53	32,88	512,41	622,82	66.1	4
8,81	84,73	8.1	10,81	6,31	359,90	34.5	102,02	46,77	612,45	761,25	73.0	5
9,21	88,26	7.5	11,31	11,62	347,18	29.5	117,52	58,92	723,60	900,04	76.6	6
13,85	93,19	8.8	11,86	6,10	359,57	33.9	104,17	47,08	607,05	758,30	71.5	7
8,58	86,72	8.2	11,37	8,72	356,38	37.5	101,99	47,08	605,96	755,04	70.9	8
9,80	88,78	8.3	10,60	8,16	355,41	37.3	104,10	47,60	601,63	753,34	70.7	9
7,97	86,28	8.1	10,90	9,08	355,35	33.4	105,15	46,58	605,28	757,00	71.2	10
8,73	86,05	8.1	10,24	8,47	355,44	33.6	106,25	45,50	611,26	763,01	72.2	11
8,34	84,60	8.0	10,38	8,93	355,30	33.7	106,35	45,46	617,15	768,96	73.0	12
7,62	86,83	8.2	10,27	9,01	353,88	37.3	107,60	45,71	614,71	768,02	72.3	13
7,79	88,27	8.3	10,56	9,93	352,78	33.0	109,11	46,33	613,59	769,04	71.9	14
9,36	87,31	8.2	10,60	9,55	349,68	32.7	104,91	48,35	614,89	768,15	71.9	15
8,72	86,80	8.1	10,41	10,74	349,06	32.7	107,84	47,54	612,68	768,06	71.9	16
8,57	87,01	8.1	10,10	11,11	349,26	32.6	103,76	48,08	612,22	764,06	71.4	17
7,55	85,65	8.0	10,59	11,35	348,38	32.5	102,26	48,46	609,01	759,73	70.8	18
11,60	94,01	8.7	15,19	11,22	347,67	32.1	98,42	47,42	611,06	756,89	69.9	19
8,34	86,55	8.0	11,18	16,21	346,90	32.1	99,85	45,64	611,26	756,75	70.1	20
8,63	87,40	8.1	11,02	18,25	346,19	31.9	97,32	46,30	601,70	747,82	69.0	21
8,60	87,86	8.2	10,33	12,51	351,25	32.7	96,26	47,59	601,91	745,76	69.4	22
9,27	88,33	8.2	10,25	15,56	353,40	32.7	95,69	47,19	597,37	740,24	68.5	23
8,59	85,28	7.9	10,20	17,52	361,35	33.6	96,28	46,25	596,31	738,84	68.6	24
8,14	84,91	7.9	10,41	19,55	361,47	33.5	97,18	46,53	595.36	739,06	68.5	25
8,92	88,02	8.1	10,94	21,79	361,22	33.3	95,71	46,08	594,67	736,47	67.8	26
8,81	88,42	8.1	11,41	23,05	362,04	33.0	98,22	45,72	591,52	735,45	67.1	27
9,62	89,10	8.1	11,36	22,76	361,42	33.0	101,44	45,89	587,63	734,97	67.1	28

STATE

CONSOLIDATED POSITION OF SCHEDULED

				Demand Liabilities				Time Liabilities		Borrowings from					
				No. of Report- ing banks	Borrow- ings from banks @	Others	Borrow- ings from banks @	Others	Total Gross Liabilities (2+3+4+5)	Total Net Liabilities (3+5)	Reserve Bank	State Bank	Cash in India	Balances with Reserve Bank	
As at the close of				1	2	3	4	5	6	7	8	9	10	11	
29	September	7	.. 89	9,73	629,73	2,31	456,98	1,098,75	1,086,71	52,25	13,12	35,53	53,25		
30	"	14	.. 89	11,28	628,02	2,11	458,63	1,100,04	1,086,65	54,05	12,58	37,23	51,11		
31	"	21	.. 89	9,76	621,97	2,26	458,80	1,092,80	1,080,78	67,66	11,94	35,88	49,30		
32	"	28	.. 89	10,38	626,99	2,16	455,30	1,094,83	1,082,29	63,24	12,58	35,44	48,79		
33	October	5	.. 89	8,82	626,86	2,26	452,03	1,089,98	1,078,89	65,71	12,97	37,52	49,17		
34	"	12	.. 89	10,44	622,06	2,26	451,69	1,086,45	1,073,75	68,00	11,58	36,29	48,48		
35	"	19	.. 89	10,94	633,66	1,84	452,46	1,098,90	1,086,12	61,25	11,76	40,57	49,55		
36	"	26	.. 89	12,96	633,43	3,86	453,99	1,104,23	1,087,41	57,81	12,18	38,27	49,03		
37	November	2	.. 89	13,08	628,48	3,33	452,22	1,097,11	1,080,71	68,84	13,24	33,79	51,79		
38	"	9	.. 89	13,33	631,27	2,07	452,66	1,099,33	1,083,93	64,26	11,04	39,04	48,84		
39	"	16	.. 89	12,60	640,80	2,11	455,81	1,111,32	1,096,61	56,65	10,74	37,01	50,91		
40	"	23	.. 89	12,36	637,60	2,51	456,17	1,108,64	1,093,77	57,41	9,73	35,95	50,80		
41	"	30	.. 89	11,68	641,91	2,71	456,44	1,112,74	1,098,35	54,67	10,46	35,89	50,83		
42	December	7	.. 89	10,31	638,96	3,11	458,64	1,111,02	1,097,60	58,19	10,92	36,65	49,93		
43	"	14	.. 89	11,21	646,69	2,90	456,92	1,117,72	1,103,61	62,94	9,90	36,19	50,87		
44	"	21	.. 89	9,42	639,05	2,86	457,35	1,108,68	1,096,39	67,64	9,64	35,32	50,81		
45	"	28	.. 89	9,14	643,57	2,73	457,16	1,112,60	1,100,73	79,16	7,76	38,55	51,98		
1957															
46	January	4	.. 89	6,94	641,43	2,34	455,26	1,105,98	1,096,70	73,19	10,09	37,38	48,13		
47	"	11	.. 89	4,63	649,35	2,07	455,26	1,111,31	1,104,62	79,10	10,56	35,13	50,74		
48	"	18	.. 89	6,06	659,88	2,46	456,67	1,125,07	1,116,55	75,13	12,23	36,65	48,32		
49	"	25	.. 89	6,81	663,74	2,56	459,62	1,132,73	1,123,36	74,15	14,17	32,82	50,09		
50	February	1	.. 89	7,04	672,06	3,21	462,59	1,143,90	1,134,65	80,51	14,10	34,40	51,59		
51	"	8	.. 89	6,72	669,28	2,38	461,46	1,139,84	1,130,74	96,39	16,69	35,99	48,78		
52	"	15	.. 89	6,37	676,92	2,48	461,55	1,147,32	1,138,47	92,48	15,12	36,88	48,80		
53	"	22	.. 89	7,17	686,51	1,69	465,43	1,160,81	1,151,94	84,85	10,79	36,80	51,98		
54	March	1	.. 89	9,21	691,54	1,62	460,95	1,163,33	1,152,49	81,31	10,15	38,03	50,15		
55	"	8	.. 89	8,98	696,82	1,72	462,67	1,170,19	1,159,49	79,08	9,17	36,83	50,55		
56	"	15	.. 89	10,08	696,59	2,09	465,20	1,173,96	1,161,79	81,60	9,35	35,63	51,56		
57	"	22	.. 89	8,99	691,76	2,18	464,68	1,167,61	1,156,44	97,59	11,43	36,93	52,39		
58	"	29	.. 89	8,27	703,61	1,97	471,69	1,185,54	1,175,30	103,16	11,60	33,98	54,28		

MENT 26 - (Contd.)**BANKS (ANNUAL AND WEEKLY)**

(Lakhs of Rupees)											
Excess of 11 over the Statutory Minimum	Total Cash and Balances with the Reserve Bank (10+11)	Percentage of (13) to (7)	Balances with other Banks in Current Account	Money at Call and Short Notice	Investments in Government Securities*	Percentage of (17) to (7)	Bills Purchased and Discounted		Advances	Total Bank Credit (19 + 20 + 21)	Percentage of (22) to (7)
12	13	14	15	16	17	18	19	20	21	22	23
12.09	88,77	8.2	9.99	12.09	368.08	33.9	98.71	46.39	618.13	763,22	70.2
9.93	88,33	8.1	10.33	14.53	371.14	31.2	96.60	46.41	612.36	755,37	69.5
8.49	85,18	7.9	9.92	11.97	373.48	31.6	95.66	45.48	610.19	751,32	69.5
7.77	84,24	7.8	11.42	12.01	375.56	31.7	96.85	46.45	611.14	754,45	69.7
8.30	86,69	8.0	10.10	10.71	374.66	31.7	98.53	47.49	613.85	759,88	70.4
7.78	84,77	7.9	10.10	12.69	373.19	31.8	97.20	49.17	612.76	759,12	70.7
8.24	90,12	8.3	10.61	13.08	372.53	31.3	97.48	49.59	610.52	757,59	69.8
7.56	87,30	8.0	9.86	17.61	371.44	31.2	96.71	52.00	611.96	760,67	70.0
10.60	85,58	7.9	9.66	16.51	367.32	31.0	103.25	52.51	613.18	768,94	71.2
7.52	87,88	8.1	9.82	17.33	365.76	33.7	107.77	50.36	604.06	762,19	70.3
9.08	87,92	8.0	9.96	19.03	365.56	33.3	112.79	49.68	598.85	761,32	69.4
9.13	86,75	7.9	10.10	17.42	365.50	33.4	116.94	51.47	593.89	762,30	69.7
8.97	86,73	7.9	9.97	15.15	365.48	33.3	116.49	52.96	596.99	766,45	69.8
8.23	86,58	7.9	9.98	14.09	364.99	33.3	119.22	52.99	600.23	772,45	70.4
8.78	87,06	7.9	10.45	14.15	365.28	33.1	117.98	53.72	605.55	777,25	70.1
9.19	86,13	7.9	10.26	12.79	364.82	31.3	109.90	55.16	619.13	784,19	71.5
10.15	90,53	8.2	12.87	12.43	364.44	33.1	111.43	54.05	622.95	788,43	71.6
6.56	85,51	7.8	11.30	8.97	364.45	33.2	113.75	52.45	636.73	802,93	73.2
8.90	85,88	7.8	10.22	6.88	362.47	32.8	110.20	52.38	646.28	808,85	73.2
5.84	84,96	7.6	10.34	8.82	362.13	32.4	113.04	53.05	649.78	815,87	73.1
7.32	82,91	7.4	9.87	11.44	361.63	32.2	115.32	53.57	657.59	826,49	73.6
8.34	85,98	7.6	9.66	10.03	361.27	31.8	118.53	53.20	669.42	841,14	74.1
5.70	84,77	7.5	9.73	9.84	360.67	31.9	114.45	53.47	688.14	856,05	75.7
5.35	85,68	7.5	9.50	10.23	355.71	31.2	107.42	56.29	697.76	861,47	75.7
7.96	88,78	7.7	9.88	13.67	351.42	30.5	104.93	57.05	694.77	856,76	74.4
5.87	88,18	7.7	9.46	12.68	350.32	30.4	106.09	57.55	698.84	862,48	74.8
5.97	87,39	7.5	10.56	14.92	349.21	30.1	105.93	58.91	700.73	865,57	74.7
6.88	87,19	7.5	9.53	16.56	348.93	30.0	108.33	57.77	708.83	874,92	75.3
8.01	89,32	7.7	9.66	12.63	348.10	30.1	113.85	57.40	711.58	882,83	76.3
9.21	88,26	7.5	11.31	11.62	347.18	29.5	117.52	58.92	723.60	900.04	76.6

@ Excluding borrowings from the Reserve Bank of India and the State Bank of India.

* At book value ; including Treasury bills and Treasury Deposit Receipts.

STATEMENT 27

ADVANCES OF THE RESERVE BANK OF INDIA TO
SCHEDULED BANKS AND STATE CO-OPERATIVE BANKS

(Lakhs of Rupees)

					Scheduled Banks			State Co-operative Banks
					Against insurance bills and/or pro- missory notes	Other advances	Total	
Outstanding as on Last Friday of								
1951-52	..	..	..	..	27,82	26,31	54,13	7,83
1952-53	..	..	..	..	5,24	13,63	18,87	6,94
1953-54	..	..	..	..	17,50	13,50	31,00	8,66
1954-55	..	..	..	..	28,25	8,82	37,07	9,74
1955-56	..	..	..	..	27,43	37,65	65,08	13,20
1956-57	..	..	..	..	71,54	31,62	103,16	22,28
Outstanding as at the close of								
April	6,	1956	..	..	25,44	25,44	50,88	12,35
"	13,	"	..	..	28,95	20,47	49,42	12,06
"	20,	"	..	..	32,82	17,98	50,80	11,74
"	27,	"	..	..	37,52	18,38	55,90	11,88
May	4,	"	..	..	42,65	20,03	62,68	12,42
"	11,	"	..	..	52,08	21,38	73,46	12,79
"	18,	"	..	..	46,11	21,48	67,59	12,78
"	25,	"	..	..	44,22	19,73	63,95	12,79
June	1,	"	..	..	45,59	20,17	65,76	12,55
"	8,	"	..	..	42,92	17,50	60,42	12,65
"	15,	"	..	..	41,44	16,93	58,37	13,09
"	22,	"	..	..	41,91	14,42	56,33	13,28
"	29,	"	..	..	37,57	15,65	53,22	14,12
July	6,	"	..	..	33,68	11,13	44,81	14,15
"	13,	"	..	..	33,97	4,53	38,50	14,90
"	20,	"	..	..	38,29	15,71	54,00	15,55
"	27,	"	..	..	34,85	12,42	47,27	15,78
August	3,	"	..	..	25,34	11,22	36,56	15,92
"	10,	"	..	..	33,94	10,64	44,58	16,38
"	17,	"	..	..	30,76	10,11	40,87	17,07
"	24,	"	..	..	28,12	6,51	34,63	17,51
"	31,	"	..	..	22,00	8,99	30,99	18,24
September	7,	"	..	..	24,40	27,85	52,25	19,24
"	14,	"	..	..	30,90	23,15	54,05	19,43
"	21,	"	..	..	40,65	27,01	67,66	19,77
"	28,	"	..	..	36,37	26,87	63,24	20,06
October	5,	"	..	..	38,20	27,51	65,71	20,00
"	12,	"	..	..	42,87	25,13	68,00	20,45
"	19,	"	..	..	41,29	19,96	61,25	20,87
"	26,	"	..	..	40,29	17,52	57,81	21,18
November	2,	"	..	..	43,43	25,41	68,84	21,55
"	9,	"	..	..	42,41	21,85	64,26	21,51
"	16,	"	..	..	40,80	15,85	56,65	21,59
"	23,	"	..	..	45,34	12,07	57,41	21,62
"	30,	"	..	..	43,34	11,33	54,67	21,79
December	7,	"	..	..	44,65	13,54	58,19	22,01
"	14,	"	..	..	47,52	15,42	62,94	22,15
"	21,	"	..	..	49,49	18,15	67,64	21,79
"	28,	"	..	..	57,20	21,86	79,06	22,45
January	4,	1957	..	..	52,82	20,37	73,19	22,35
"	11,	"	..	..	60,86	18,24	79,10	23,08
"	18,	"	..	..	60,70	14,43	75,13	23,21
"	25,	"	..	..	59,31	14,84	74,15	23,53
February	1,	"	..	..	58,88	21,63	80,51	23,52
"	8,	"	..	..	67,63	28,76	96,39	23,43
"	15,	"	..	..	59,18	33,30	92,48	23,37
"	22,	"	..	..	58,85	26,00	84,85	23,41
March	1,	"	..	..	56,84	24,47	81,31	23,23
"	8,	"	..	..	55,92	23,16	79,08	22,96
"	15,	"	..	..	60,18	21,42	81,60	22,81
"	22,	"	..	..	73,20	24,39	97,59	22,88
"	29,	"	..	..	71,54	31,62	103,16	22,28

STATEMENT 28

CHEQUE CLEARANCES (ANNUAL AND MONTHLY)

	(Number in Thousands) (Rupees in Lakhs)											
	AHMED- ABAD			BANGA- LORE			BOMBAY			CALCUTTA		
	Num- ber	Amount	Num- ber	Num- ber	Amount	Num- ber	Num- ber	Amount	Num- ber	Num- ber	Amount	Num- ber
1	2	3	4	5	6	7	8	9	10	11	12	13
1951-52	2,340	650.55	87	26.29	62	7.16	551	253.26	539	271.21	114	13.85
1952-53	2,474	547.53	104	22.11	65	6.51	697	217.83	562	207.99	126	13.25
1953-54	2,669	559.53	117	21.12	69	7.97	987	222.42	612	214.10	160	15.26
1954-55	2,885	604.12	127	23.32	73	8.28	1,070	234.30	648	237.84	172	17.32
1955-56	3,100	663.01	144	27.32	75	8.82	1,123	255.94	688	251.17	194	21.29
1956-57	3,324	726.99	153	29.19	87	10.31	1,252	276.05	717	266.46	216	22.82
April 1956	3,434	740.55	175	32.87	89	9.96	1,254	283.64	769	272.31	229	24.65
May	3,485	710.51	170	35.47	83	9.29	1,220	271.93	735	255.74	245	24.64
June	3,202	659.59	148	27.30	81	9.32	1,163	250.33	701	244.01	219	22.30
July	3,202	669.86	143	25.29	87	9.55	1,162	257.86	650	243.12	207	23.27
August	3,057	645.68	108	21.31	82	9.36	1,105	239.64	659	245.13	155	20.94
September	3,127	701.29	131	26.63	87	10.90	1,146	268.19	678	255.19	169	19.70
October	3,295	699.92	171	30.42	89	10.31	1,211	267.69	667	253.42	206	19.20
November	3,254	725.06	159	25.01	89	11.50	1,163	267.83	721	273.58	222	23.24
December	3,273	764.19	166	28.96	85	9.33	1,261	287.88	722	287.66	227	24.43
January 1957	3,107	841.32	147	24.80	91	12.04	1,227	328.64	708	295.24	167	25.78
February	3,220	732.92	155	29.77	89	9.54	1,131	276.88	706	267.28	198	21.92
March	3,505	833.05	173	32.53	97	12.59	1,288	312.15	756	304.82	232	23.80

Note.—Annual figures are averages of monthly figures. *Agra, Allahabad, Alleppy, Amritsar, Bareilly (from April 1951), Cochin (from March 1954), Coimbatore, Dehra Dun, Gaya, Gorakhpur (from July 1955), Hyderabad (Dn.), Jaipur (from April 1952), Jullundur City, Kozhikode, Lucknow, Mangalore, Mathurai, Muzaffarpur (from November 1950), Nagpur (management taken over by the Reserve Bank of India from March 13, 1957), New Delhi, Patna, Poona, Rajkot, Simla, and Vijayawada (from May 1955).

STATEMENT 29

RATES OF THE RESERVE BANK OF INDIA AND THE STATE BANK OF INDIA

(Per cent per annum)

	Reserve Bank of India						State Bank of India (a) (*)							
	Bank Rate (b)	Rate of interest for advances against Government Securities	Rate of interest for advances against Usance bills and Promissory Notes +	Concessional rate to Co-operatives (d)	Treasury Bill Rate (Average)	Call Loan Rate (e)		Hundi Rate (f)	Advances Rate (g)					
						Below Rs. 5 lakhs and over			High-est	Low-est	High-est	Low-est		
						High-est	Low-est							
													High-est	Low-est
1951-52	.. 3½	3½	3	3.025 (h)	1½	—	3½	2½	3½	3	4½	4	4	3½
		(3 upto Nov. 14)					Apr. and July.- Nov. (i)	Dec.- Mar.	Apr. and July.- Nov. (i)	Nov.- Mar.	Apr.- Nov.- Mar.	Nov.- Mar.	Nov.- Mar.	Apr.- Nov.
1952-53	.. 3½	3½	3	3.025	1½	2.22	3½	3½	3½	3½	4½	4	4	4
1953-54	.. 3½	3½	3	3.025	1½	2.45	3½	3½	3½	3½	4½	4	4	4
1954-55	.. 3½	3½	3	3.025	1½	2.53	3½	3½	3½	3½	4½	4	4	4
1955-56	.. 3½	3½	3-3½	3.300 (j)	1½	2.52	3½	3½	3½	3½	5	4½	4	4
			(3½ from March 1, 1956)								Mar.	Apr.- Mar.		
1956-57	.. 3½	3½	3½	4.000-3.300	1½		4	3½	4½	3½	5½	5	4½	4
		Apr.-Jan and 4	Apr.-Nov.21 and 3½	Feb.-Apr. and Mar. Oct.			Feb.- Mar. Jan.	Apr.- Mar. Jan.	Feb.- Apr.- Mar. Jan.	Apr.- Mar. Jan.	Feb.- Mar. Jan.	Apr.- Mar. Jan.	Apr.- Mar. Jan.	
			Feb.-Mar. Nov.22-Mar.											
April 1956	.. 3½	3½	3½	3.300	1½	2.53	3½	3½	3½	3½	5	5	4	4
May "	.. 3½	3½	3½	3.300	1½		3½	3½	3½	3½	5	5	4	4
June "	.. 3½	3½	3½	3.300	1½		3½	3½	3½	3½	5	5	4	4

July	"	"	3½	3½	3½	1½	3½	3½	5	4
Aug.	"	"	3½	3½	3½	1½	3½	3½	5	1
Sept.	"	"	3½	3½	3½	1½	3½	3½	5	4
Oct.	"	"	3½	3½	3½	1½	3½	3½	5	1
Nov.	"	"	3½	3½	3½-3½	1½	3½	3½	5	4
Dec.	"	"	3½	3½	3½	1½	3½	3½	5	4
Jan.	1957	"	3½	3½	3½	1½	3½	3½	5	4
Feb.	"	"	3½	4	3½	1½	4	4½ (m)	5½	4½
Mar.	"	"	3½	4	3½	1½	4	4½ (m)	5½	4½

(a) The rates relate to Bombay, Calcutta and Madras.

(b) The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the Reserve Bank of India Act.

(c) The effective rate of borrowing by banks takes into account the cost of stamp duty on bills and is calculated on the assumption of full utilisation of the limits sanctioned by the Bank.

(d) Concessional rate of interest on advances to State co-operative banks for agricultural purposes.

(e) The basic advances rate of the State Bank for demand loans taken by scheduled banks against Government securities.

(f) The rate at which the State Bank discounts first class three months commercial bills.

(g) The general advances rate at which the State Bank grants advances to the public against Government securities.

(h) Original rate when half the cost of stamp duty was borne by the Reserve Bank from January 16, 1952.

(i) April and July to December in Bombay.

(j) With effect from March 1, 1956 the concession regarding the stamp duty was withdrawn and the Bill Market Rate was raised to ½ per cent below the Bank Rate then prevailing.

(k) At Madras the highest rate at 4 per cent from May 1956 to January 1957.

(l) From November 21, 1956 the Bill Market Rate was made equal to the Bank Rate then prevailing.

(m) Effective from February 1957 the stamp duty on bills and promissory notes maturing within three months was increased to Rs. 1.25 per Rs. 1,000.

(n) The lowest rate 3½ per cent at Madras.

* Figures prior to July 1953 relate to the Imperial Bank of India.

† The effective rate from May 16, 1957 following the raising of the Bank Rate to 4 per cent and the reduction in the stamp duty on bills and promissory notes maturing within three months to 50 nP. per Rs. 1,000 is 4.200 per cent.

STATEMENT 30

MONEY RATES IN BOMBAY, CALCUTTA AND MADRAS

(Per cent per annum.)

		Call Money Rate(a)							
		Bombay				Calcutta		Madras	
		Larger Banks (b)		Smaller Banks		Highest	Lowest	Highest	Lowest
		Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
1951-52		3 Feb. & Mar.	1 Sept.-Nov.	3½ Mar.	1½ Apr.-May & Sept.-Nov.	2½ Mar.	1 Apr.-Jan.	3½ Mar.	1 Apr.-Dec.
1952-53		3 Apr., May & Dec.-Mar.	1 Nov.	3½ Jan.	1½ July, Aug. Oct., & Nov.	3 Apr., June	1½ Nov.-Dec.	3½ Apr.-June	1½ Nov.
1953-54		3 Apr., Dec.- Mar.	1 Oct., Nov.	3 Apr.-July, Nov., Dec.- Mar.	1½ Oct.	2½ Apr.-Aug. Jan. & Mar.	1½ Oct. & Nov.	3 Apr.-Oct., Nov., Feb. & Mar.	1½ Dec.
1954-55		3 Apr.-June & Dec.-Mar.	1 Nov.-Dec.	3½ Mar.	1½ July-Sept.	3½ Mar.	1½ Dec.	3 Apr.-July & Mar.	1½ Dec.
1955-56		3½ Mar.	1½ Oct. & Nov.	3½ Mar.	1½ Oct. & Nov.	4½ Mar.	2½ Aug.	3½ Dec. & Jan.-Mar.	2½ July- Aug.
1956-57		3½ Dec. & Feb.	3 Apr.-Aug.	3½ Dec., Feb. & Mar.	3 Apr.-Aug.	4½ Feb.	3½ Dec.	4½ Feb.	3½ Apr.-Oct. & Dec.
(Dec. 1956 - Mar. 1957)*		3½-4½ ¹⁶				3½-4½		3½-4½	
April	1956	..	3½	3	3½	3	4½	3½	3½
May	..	..	3½	3	3½	3	3½	3½	3½
June	..	..	3½	3	3½	3	3½	3½	3½
July	..	..	3½	3	3½	3	3½	3½	3½
August	..	..	3½	3	3½	3	3½	3½	3½
September	..	..	3½	3½	3½	3½	4	3½	3½
October	..	..	3½	3½	3½	3½	4	3½	3½
November	..	..	3½	3½	3½	3½	4½	3½	3½
December	..	..	3½	3½	3½	3½	4	3½	3½
January	1957	..	3½	3½	3½	3½	4	3½	3½
February	..	..	3½	3½	3½	3½	4½	3½	3½
March	..	..	3½	3½	3½	3½	4½	3½	3½
December	1956 ^e	..	3½	4½ ¹⁶			3½-4½	3½	4½
January	1957*	..	3½	4½ ¹⁶			3½-4½	3½	4½
February	.. *		3½	4½ ¹⁶			3½-4½	3½	4½
March	.. *		3½	4½ ¹⁶			3½-4½	3½	4½

(a) Rate at which banks advance their day-to-day surplus funds to other banks. These loans are repayable on call at the option of the lender.

(b) Including exchange banks.

* These figures available only from December 1956, provide a range of interest rates for various types of deposits quoted by selected scheduled banks for the largest amount accepted during the period; other figures are based on data obtained from the State Bank of India, Brokers and Exchange Banks' Association.

STATEMENT 30—(Contd.)

(Per cent per annum)

		Deposit Rates					
		3 Months					
		Bombay		Calcutta		Madras	
		Highest	Lowest	Highest	Lowest	Highest	Lowest
1951-52	..	3½ Mar.	1½ Apr. & May	2½ Dec.-Mar.	½ Apr.-Nov.	2½ Feb.-Mar.	½ Apr.-Dec.
1952-53	..	3½ Apr. & May	1½ Aug.		2½	2½ Feb.-Mar.	2½ Apr.-Feb.
1953-54	..	3 Apr., Jan.- Mar.	2 July, Aug.- Sept.		2½		2½
1954-55	..	3½ Mar.	2½ Aug.-Sept.	2½ Apr.-Aug.	2 Aug.-Mar.		2½
1955-56	..	3½ Mar.	2½ Aug.	2½ Mar.	2 Apr.-Mar.		2½
1956-57	..	4½ Feb.-Mar.	3 Aug.	3 Oct.-Mar.	2½ Apr.-Sept.	3 Oct.-Mar.	2½ Apr.-Sept.
(Dec. 1956—Mar. 1957)*			2-4½/16		1½-4½		1½-4½
April	1956	..	3½		2½		2½
May	..	..	3½		2½		2½
June	..	..	3½		2½		2½
July	..	..	3½		2½		2½
August	..	..	3½		2½		2½
September	..	..	3½		2½		2½
October	..	..	3½		3		3
November	..	..	3½		3		3
December	..	..	4		3		3
January	1957	..	4		3		3
February	..	..	4½		3		3
March	..	..	4½		3		3
December	1956*	..	2-4½/16		1½-4		2½-3½
January	1957*	..	2½-4½/16		1½-4½		1½-3½
February	.. *	..	2½-4½/16		3-4		2½-4
March	.. *	..	2½-4½/16		1½-4½		2½-4½

For footnotes please see page 130

STATEMENT 30—(Contd.)

(Per cent per annum)

		Deposit Rates—Contd.					
		Bombay		6 Months Calcutta		Madras	
		Highest	Lowest	Highest	Lowest	Highest	Lowest
1951-52	..	3½ Mar.	2 Apr.-Nov.	1½ Dec.-Mar.	1¼ Apr.-Dec.	2 Dec.-Mar.	1¼ Apr.-Dec.
1952-53	..	3½ Apr.	2 June	1½		2½ Feb.-Mar.	1¼ Apr.-Dec.
1953-54	..	3½ Mar.	2 July	1½		2½	
1954-55	..	3½ Dec., Mar.	2½ July, Sept.	2 Sept.-Mar.	1½ Apr.-Aug.	2½	
1955-56	..	3½ Mar.	2½ Aug.	2½ Mar.	2 Apr.-Mar.	2½	
1956-57	..	4½ Feb. & Mar.	3 Aug.	3 Oct.-Mar.	2½ Apr.-Sept.	3 Oct.-Mar.	2½ Apr.-Sept.
(Dec. 1956-Mar. 1957)*		2-4½ ₁₆		2-4		2-5	
April	1956	..	3½	3½	2½	2½	
May	..	..	3½	3½	2½	2½	
June	..	..	3½	3½	2½	2½	
July	..	..	3½	3½	2½	2½	
August	..	..	3½	3	2½	2½	
September	..	..	3½	3½	2½	2½	
October	..	..	3½	3½	3	3	
November	..	..	3½	3½	3	3	
December	..	..	4	3½	3	3	
January	1957	..	4	3½	3	3	
February	..	..	4½	4	3	3	
March	..	..	4½	4½	3	3	
December	1956*	..	2-3½	2-3½		2-5	
January	1957*	..	2-4½ ₁₆	2-4		2-5	
February	.. *	..	2-4½ ₁₆	2-4		2½-5	
March	.. *	..	2-4½ ₁₆	2-4		2½-4	

For footnotes please see page 130

STATEMENT 30—(Contd.)

(Per cent per annum)

			Deposit Rates—Contd.		Bazar Bill Rate (c)			
			12 Months Bombay		Bombay		Calcutta	
			Highest	Lowest	Highest	Lowest	Highest	Lowest
1951-52	..		2½ Nov. & Dec.	1½ Apr.-Nov.	9		10-12	
1952-53	..		2½ Apr., May & Nov.-Mar.	2 Apr.-Sept. Nov. & Dec.	9½ July-Jan.	9 Apr.-July, Feb. & Mar.	10-12	
1953-54	..		2½ Jan.-Mar.	1½ Sept. & Oct.	9½ Dec.-Mar.	8½ Aug.-Sept.	10-12	
1954-55	..		3 Mar.	2½ May-Dec.	9½		10-12	
1955-56	..		3½ Mar.	2½ June-Sept. & Nov.	10½ Mar.	9½ Apr.-Mar.	10-12	
1956-57	..		4 Feb. & Mar.	2½ Apr.-June	11½ Feb. 8-Mar.	9 Sept.-Oct.	11-12 Feb. 4-Mar.	10-12 Apr.-Feb. 3
(Dec. 1956-March 1957) ¹			1½-4½/16					
April	1956	..	3½	2½	10½	9½	10-12	
May	..	..	3½	2½	10½	9½	10-12	
June	..	..	3½	2½	10½	9½	10-12	
July	..	..	3½	3	10½	9½	10-12	
August	..	..		3	10½	9½	10-12	
September	..	..		3	9½	9	10-12	
October	..	..	3½	3	9½	9	10-12	
November	..	..	3½	3		9½	10-12	
December	..	..	3½	3½	10½		10-12	
January	1957	..	3½	3½	10½		10-12	
February	..	..	4	3½	11½	10½	10-12	
March	..	..	4	3½	11½		11-12	
December	1956*	..	1½-3½/16					
January	1957*	..	2½-4"/16					
February	..	..	2½-4½/16					
March	..	..	2½-4½/16					

(c) Rate at which bills of small traders are reported to have been discounted by Shroffs. These are unofficial quotations.

For other footnotes please see page 130

STATE

LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) (1)

(Issue and Banking)

As at the close of last Friday		LIABILITIES							
		Notes in Circulation*	Central Government	Other Governments	Deposits		Total	Other Liabilities**	Total Liabilities or Assets †
					Banks	Others			
		1	2	3	4	5	6	7	8
1	1951-52	.. .. 1,141.11	180.16	25.06	46.99	65.90	318.11	61.72	1,530.94
2	1952-53	.. .. 1,133.12	135.78	19.85	46.52	62.81	264.96	47.73	1,455.80
3	1953-54	.. .. 1,185.92	65.77	62.59	42.41	43.76	214.52	42.31	1,452.76
4	1954-55	.. .. 1,277.09	59.45	60.27	47.72	21.53	188.97	45.78	1,521.84
5	1955-56	.. .. 1,466.64	67.34	62.03	53.24	16.68	199.30	61.23	1,737.18
6	1956-57	.. .. 1,526.09	64.57	31.95	57.77	74.28	228.56	172.80	1,937.45
1956-57 (Weekly)									
As at the close of 1956									
7	April 6	.. .. 1,506.69	57.10	35.70	53.42	17.35	163.57	62.90	1,743.16
8	" 13	.. .. 1,515.98	53.28	32.36	50.95	17.10	153.69	58.39	1,738.06
9	" 20	.. .. 1,509.65	55.86	25.53	53.33	17.03	151.75	65.96	1,737.36
10	" 27	.. .. 1,505.01	58.60	27.01	50.84	17.18	153.63	71.88	1,740.52
11	May 4	.. .. 1,518.51	55.85	18.12	49.40	14.10	137.47	58.28	1,724.26
12	" 11	.. .. 1,525.88	65.38	6.67	49.73	12.86	134.64	62.68	1,733.20
13	" 18	.. .. 1,516.28	67.84	7.16	51.09	12.66	138.75	72.55	1,737.58
14	" 25	.. .. 1,506.13	56.69	9.13	51.21	12.53	129.56	72.88	1,718.57
15	June 1	.. .. 1,501.84	54.48	10.26	51.89	13.10	129.73	84.34	1,725.91
16	" 8	.. .. 1,514.82	52.47	1.93	50.18	12.47	120.05	65.75	1,710.62
17	" 15	.. .. 1,504.31	55.80	5.28	51.18	13.17	125.43	77.73	1,717.47
18	" 22	.. .. 1,486.87	62.58	8.01	51.88	13.02	135.49	86.39	1,718.75
19	" 29	.. .. 1,474.67	56.84	13.17	54.49	13.08	137.58	86.41	1,708.66
20	July 6	.. .. 1,482.50	54.23	4.77	50.56	12.64	122.20	67.44	1,682.14
21	" 13	.. .. 1,474.60	52.03	6.94	52.65	12.19	123.81	77.13	1,685.54
22	" 20	.. .. 1,460.01	83.42	13.69	53.01	11.89	162.01	73.32	1,705.34
23	" 27	.. .. 1,444.28	76.16	6.84	53.35	12.22	148.57	81.01	1,683.86
24	August 3	.. .. 1,447.15	61.05	5.86	47.90	12.22	127.03	78.94	1,663.12
25	" 10	.. .. 1,451.78	54.04	9.38	51.04	11.88	126.34	75.27	1,663.39
26	" 17	.. .. 1,445.44	53.72	5.58	53.44	11.92	124.66	74.83	1,654.93
27	" 24	.. .. 1,431.62	61.58	5.70	55.44	12.50	135.22	58.95	1,635.79
28	" 31	.. .. 1,424.51	65.77	2.91	56.56	12.27	137.51	68.72	1,640.74
29	September 7	.. .. 1,440.18	58.86	16.73	56.16	18.01	149.76	56.54	1,656.48
30	" 14	.. .. 1,432.45	73.41	19.54	53.72	14.39	161.06	63.90	1,667.41
31	" 21	.. .. 1,417.71	67.43	23.95	52.55	13.81	157.74	73.51	1,658.96
32	" 28	.. .. 1,409.23	71.39	19.06	52.64	12.46	155.55	83.26	1,658.04

Note : For footnote see pages 136-137

MENT 31

THE RESERVE BANK OF INDIA

Departments Combined)

(Lakhs of Rupees)

ASSETS

Gold Coin and Bullion(a)	Foreign Assets †	Rupee Coin ‡	Notes	Rupee Securities	Loans and Advances to Governments	Other Loans and Advances	Bills Purchased and Discounted	Other Assets	
9	10	11	12	13	14	15	16	17	
40.02	723.01	69.29	35.82	566.73	94	61.37	3.72	29.99	1
40.02	723.68	82.32	17.03	545.98	3.36	26.95	8.80	7.72	2
40.02	752.97	93.97	17.23	487.50	51	41.10	10.74	8.72	3
40.02	730.00	102.50	15.92	552.32	45	47.87	10.37	21.39	4
40.02	746.13	103.31	11.77	726.01	—	79.94	12.23	17.77	5
117.76	526.83	122.79	11.77	1,006.20	7.65	127.87	2.98	13.61	6
40.02	748.51	106.44	11.78	735.58	1.35	64.82	13.57	18.07	7
40.02	740.18	106.02	10.05	745.25	1.20	63.07	14.15	18.11	8
40.02	734.16	106.32	16.67	743.33	1.00	64.47	13.24	18.16	9
40.02	725.65	107.38	22.35	742.88	1.79	69.71	12.43	18.30	10
40.02	721.50	105.61	7.18	742.56	1.83	76.89	10.22	18.46	11
40.02	717.99	104.63	8.78	742.44	2.58	88.08	10.11	18.58	12
40.02	716.90	104.75	18.50	743.75	2.83	82.17	9.96	18.70	13
40.02	712.14	105.03	18.98	734.14	2.19	78.53	8.86	18.69	14
40.02	705.34	105.15	23.44	740.76	2.80	80.25	9.26	18.91	15
40.02	699.64	104.14	9.45	749.99	4.55	74.92	9.04	18.87	16
40.02	695.10	104.96	20.75	750.04	4.99	73.36	9.38	18.88	17
40.02	688.81	106.46	29.68	749.65	5.02	71.62	8.64	18.85	18
40.02	681.52	107.79	28.27	751.72	2.37	69.68	8.36	18.94	19
40.02	678.48	107.38	20.08	755.93	2.95	61.08	7.65	8.56	20
40.02	668.30	108.85	29.37	765.87	3.32	55.49	5.86	8.46	21
40.02	664.63	110.10	25.20	777.74	4.64	71.63	3.98	7.40	22
40.42	659.43	112.11	32.99	758.02	5.16	65.54	3.28	7.31	23
40.02	653.47	112.22	30.29	758.03	5.04	55.37	2.41	6.27	24
40.02	648.69	112.51	25.95	758.03	7.08	63.85	98	6.28	25
40.02	641.07	113.93	23.65	758.74	7.30	60.79	2.33	7.09	26
40.02	635.46	115.45	24.05	743.85	7.64	54.98	3.00	11.34	27
40.02	631.61	116.93	32.63	743.84	8.06	52.16	3.87	11.61	28
40.02	630.96	116.18	16.25	755.46	5.32	74.51	6.15	11.63	29
40.02	629.88	117.24	25.04	755.84	5.07	76.73	5.96	11.63	30
40.02	623.14	119.02	31.56	736.08	2.84	90.69	4.05	11.56	31
40.02	615.06	120.24	41.31	736.06	2.84	86.81	3.89	11.80	32

STATE

LIABILITIES AND ASSETS (ANNUAL AND WEEKLY)

(Issue and Redemption)

LIABILITIES

As at the close of

			Notes in Circulation*	Deposits				Other Liabilities**	Total Liabilities or Assets
				Central Government	Other Governments	Banks	Others	Total	
1956			1	2	3	4	5	6	7
33	October	5 ..	1,430.57	54.56	10.22	50.38	12.67	127.83	63.45
34	"	12 ..	1,438.23	55.44	4.70	48.58	12.73	121.45	134.64
35	"	19 ..	1,429.54	52.91	5.82	50.34	13.04	122.11	144.96
36	"	26 ..	1,418.89	54.15	27.81	51.39	12.76	146.11	159.55
37	November	2 ..	1,443.59	52.15	47.18	54.87	13.01	167.21	139.45
38	"	9 ..	1,452.96	63.00	20.06	52.47	13.21	148.74	136.18
39	"	16 ..	1,443.66	51.42	12.18	53.21	12.97	129.78	147.90
40	"	23 ..	1,439.61	54.69	12.72	52.04	13.66	133.11	151.97
41	"	30 ..	1,438.54	49.99	15.94	51.07	13.37	130.37	158.08
42	December	7 ..	1,464.08	52.36	14.04	51.46	14.17	132.03	141.07
43	"	14 ..	1,466.86	51.69	11.20	54.26	13.62	130.77	141.27
44	"	21 ..	1,465.50	55.56	9.45	52.33	13.35	130.69	145.15
45	"	28 ..	1,466.07	57.24	8.00	58.09	13.87	137.20	146.59
1957									
46	January	4 ..	1,481.52	54.34	13.93	48.34	13.42	130.03	143.97
47	"	11 ..	1,495.21	54.00	4.94	56.25	13.11	128.30	149.61
48	"	18 ..	1,490.89	50.71	7.03	52.98	13.29	124.01	159.05
49	"	25 ..	1,485.52	51.46	13.33	51.76	12.68	129.23	166.21
50	February	1 ..	1,494.02	52.35	16.68	54.44	13.40	136.87	158.42
51	"	8 ..	1,519.65	51.01	13.53	50.70	41.79	157.03	150.77
52	"	15 ..	1,515.62	52.25	12.48	51.59	42.40	158.72	153.20
53	"	22 ..	1,506.25	53.98	11.24	56.48	42.27	163.97	161.87
54	March	1 ..	1,510.96	55.10	3.70	53.25	42.13	154.18	157.78
55	"	8 ..	1,525.91	51.88	2.75	52.24	41.84	148.71	152.20
56	"	15 ..	1,524.71	54.87	22.78	52.03	74.38	204.06	155.20
57	"	22 ..	1,517.79	53.63	35.15	51.10	74.57	214.45	167.14
58	"	29 ..	1,526.09	64.57	31.95	57.77	74.28	228.56	172.80

* Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

** Including (i) Rs. 10 crores credited to the National Agricultural Credit (Long-term Operations) Fund from February 3, 1956 and Rs. 15 crores from July 6, 1956 and (ii) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956.

§ Including Capital and Reserves, Rs. 10 crores.

MENT 31—(Contd.)**THE RESERVE BANK OF INDIA**

Departments Combined)

ASSETS

(Lakhs of Rupees)

Gold Coin and Bullion ^{aa}	Foreign Assets [†]	Rupee Coin [‡]	Notes	Rupee Securities	Loans and Advances to Governments	Other Loans and Advances	Bills Purchased and Discount- ed	Other Assets
9	10	11	12	13	14	15	16	17
40.02	610.44	119.86	19.64	731.02	3.74	89.79	5.52	11.82
117.76	600.56	119.55	11.64	740.79	4.48	92.28	5.44	11.81
117.76	591.43	120.25	21.01	745.74	4.04	86.17	8.34	11.87
117.76	582.25	121.65	33.07	715.84	3.88	83.35	4.77	11.97
117.76	568.93	120.91	7.62	833.93	6	94.73	4.33	12.00
117.76	560.38	120.13	7.45	834.80	84	90.09	4.44	11.98
117.76	553.67	121.54	18.14	819.72	1.46	82.76	4.17	12.12
117.76	541.87	122.53	23.19	826.60	1.80	83.48	5.33	12.12
117.76	536.53	125.49	27.20	825.09	2.96	80.84	7.09	14.02
117.76	538.31	123.48	9.71	843.53	5.20	81.57	8.55	14.07
117.76	532.93	123.44	6.82	845.88	8.09	84.44	10.53	14.03
117.76	533.87	124.63	9.36	846.71	7.41	93.81	3.73	14.06
117.76	529.91	124.99	9.14	847.16	7.27	103.04	3.30	14.30
117.76	528.37	123.97	7.55	862.78	7.75	99.96	2.99	14.39
117.76	527.60	123.26	13.16	869.73	8.69	103.60	1.97	14.44
117.76	523.57	123.44	17.66	874.92	8.42	102.61	91	14.67
117.76	510.61	123.99	23.56	889.74	7.43	102.19	1.11	14.52
117.76	506.36	123.45	14.55	906.46	6.25	108.46	1.42	14.61
117.76	534.68	121.53	7.01	911.75	6.27	124.22	1.15	13.08
117.76	525.95	121.84	11.28	919.05	6.73	129.33	1.55	13.94
117.76	518.87	122.27	21.08	926.69	7.72	112.65	2.03	13.02
117.76	515.40	121.47	15.58	931.30	7.63	103.12	2.59	13.07
117.76	511.41	120.41	9.55	941.19	11.40	105.58	5.32	13.21
117.76	542.75	121.04	11.41	965.79	9.61	109.87	3.18	13.54
117.76	537.73	122.13	19.41	965.79	5.81	124.73	2.58	13.45
117.76	526.83	122.79	11.77	1,006.20	7.65	127.87	2.98	13.61

^{aa} Valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter.[†] Including cash and short-term securities.[‡] Including one rupee notes and subsidiary coin.

STATE

LIABILITIES AND ASSETS OF THE

(Issue and Bank)

		LIABILITIES						
		Deposits						Other Liabilities†
Average of Fridays	Notes in Circulation*	Central Government	Other Governments	Banks	Others	Total		
	1	2	3	4	5	6	7	
1 1951-52	..	1,189,84	181,30	15,95	58,68	69,22	325,15	46,40
2 1952-53	..	1,114,84	136,40	7,79	52,89	61,93	259,02	51,56
3 1953-54	..	1,133,95	105,44	23,40	46,52	57,45	232,80	46,94
4 1954-55	..	1,196,19	89,13	20,66	55,20	36,29	201,28	46,60
5 1955-56	..	1,339,39	60,11	19,85	53,77	18,31	152,04	52,67
6 1956-57	..	1,475,77	57,52	14,10	52,46	19,73	143,81	109,96
7 April 1955	..	1,313,32	56,47	36,30	47,34	22,08	162,55	51,21
8 May	..	1,324,71	52,97	17,90	48,89	22,03	141,84	53,38
9 June	..	1,322,06	55,63	12,33	50,02	21,89	139,88	61,78
10 July	..	1,306,93	76,93	17,83	50,62	19,03	164,40	61,47
11 August	..	1,299,00	86,83	20,66	51,35	20,27	179,12	57,12
12 September	..	1,290,78	60,36	18,28	53,51	16,91	151,66	44,75
13 October	..	1,303,25	50,15	23,59	61,12	15,97	150,83	36,89
14 November	..	1,327,05	54,93	14,81	56,52	13,46	143,72	43,97
15 December	..	1,350,04	54,13	8,14	57,88	15,97	136,41	44,89
16 January 1956	..	1,384,06	52,63	12,51	59,90	17,49	142,54	57,95
17 February	..	1,402,42	61,12	13,65	56,38	15,85	147,00	58,73
18 March	..	1,446,41	57,91	37,22	49,25	16,93	161,31	60,11
19 April	..	1,509,33	56,21	30,15	52,14	17,16	155,66	64,78
20 May	..	1,516,70	61,44	10,27	50,36	13,04	135,11	66,60
21 June	..	1,496,50	56,43	8,33	51,93	12,97	129,66	80,13
22 July	..	1,465,35	66,46	8,06	52,39	12,23	139,14	74,72
23 August	..	1,440,10	59,23	5,89	52,88	12,16	130,15	71,34
24 September	..	1,424,89	67,77	19,82	53,77	14,67	156,02	69,30
25 October	..	1,429,31	54,27	12,14	50,17	12,80	129,38	125,65
26 November	..	1,443,67	54,25	21,61	52,73	13,24	141,84	146,72
27 December	..	1,465,63	54,21	10,67	54,03	13,75	132,67	143,53
28 January 1957	..	1,488,29	52,63	9,81	52,33	13,13	127,89	154,70
29 February	..	1,508,89	52,40	13,48	53,30	34,96	154,15	156,07
30 March	..	1,521,09	56,01	19,27	53,28	61,44	189,99	161,02

Note.—Figures from October 1951 are net of adjustments made in respect of India notes returned from circulation in Aden.

* Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

† Including (i) Rs. 10 crores credited to the National Agricultural Credit (Long-Term Operations) Fund from February 3, 1956 and Rs. 15 crores from July 6, 1956 and (ii) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956.

MENT 32

RESERVE BANK OF INDIA (ANNUAL AND MONTHLY)

Departments combined)

(Lakhs of Rupees)

Total Liabili- ties or Assets@@	Gold Coin and Bullion**	ASSETS								
		Foreign Assets@@	Rupee Coin††	Notes	Rupee Securi- ties	Loans and Advances to Govern- ments	Other Loans and Advances	Bills Purchased and Dis- counted	Other Assets	
8	9	10	11	12	13	14	15	16	17	
1,571.39	40.02	812.41	64.12	27.78	583.55	5.90	19.42	6.31	11.91	1
1,435.43	40.02	697.96	80.38	27.87	547.85	2.85	19.03	6.64	12.83	2
1,423.69	40.02	717.33	93.02	23.03	511.69	1.78	19.84	9.46	7.81	3
1,454.08	40.02	736.34	102.52	22.98	508.61	1.14	26.55	6.10	9.82	4
1,554.11	40.42	723.48	107.03	17.03	607.42	1.73	36.99	9.78	15.61	5
1,739.54	40.02	610.38	116.09	18.75	807.04	4.89	85.34	5.69	13.60	6
	117.76									
1,537.07	40.02	722.28	105.15	18.42	579.02	51	36.73	12.04	22.91	7
1,529.93	40.02	713.95	104.27	15.14	575.21	80	40.32	11.46	28.76	8
1,533.72	40.02	715.71	104.46	17.97	583.19	1.00	28.61	12.78	29.98	9
1,542.79	40.02	715.88	106.70	29.34	601.99	88	32.44	9.53	6.02	10
1,545.24	40.02	719.54	108.65	26.50	605.86	1.92	25.11	9.90	7.74	11
1,496.60	40.02	720.39	110.64	23.49	547.07	1.02	28.64	13.68	11.65	12
1,500.97	40.02	715.00	111.07	10.97	581.42	76	20.52	9.08	12.17	13
1,524.75	40.02	715.00	109.52	14.26	599.93	2.22	24.17	7.37	12.26	14
1,541.34	40.02	726.91	108.68	10.13	599.11	3.97	31.67	8.10	12.76	15
1,594.54	40.02	736.23	106.66	16.67	625.83	2.83	43.77	9.33	13.21	16
1,618.15	40.02	736.22	105.03	9.14	652.94	3.41	53.41	3.58	14.40	17
1,677.83	40.02	742.17	103.32	11.12	678.90	1.56	73.88	9.53	17.33	18
1,739.77	40.02	737.12	106.54	15.96	741.76	1.34	65.52	13.35	18.16	19
1,728.41	40.02	717.14	105.01	13.36	740.73	2.36	81.47	9.79	18.61	20
1,716.28	40.02	694.08	105.69	22.32	748.44	3.95	73.97	8.93	18.89	21
1,689.22	40.02	667.71	109.61	26.91	764.39	4.02	63.43	5.39	7.93	22
1,651.59	40.02	642.07	114.21	27.31	752.50	7.03	57.43	2.52	8.52	23
1,660.22	40.02	624.76	118.17	28.54	745.86	4.02	82.18	5.01	11.66	24
	40.02									
1,694.34	117.76	596.17	120.33	21.34	748.35	4.04	87.90	6.02	11.87	25
1,742.22	117.76	552.28	122.12	16.72	828.02	1.43	86.38	5.07	12.45	26
1,751.82	117.76	533.75	124.12	8.76	845.32	6.99	93.47	6.53	14.11	27
1,780.89	117.76	522.54	123.67	15.48	874.29	8.06	102.84	1.74	14.50	28
1,829.10	117.76	521.47	122.27	13.48	915.98	6.74	116.42	1.54	13.44	29
1,882.11	117.76	526.82	121.57	13.54	962.05	8.42	115.24	3.33	13.37	30

@@Including capital and reserves, Rs. 10 crores.

**Valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter.

@Including cash and short-term securities.

††Including subsidiary coin and one rupee notes.

STATEMENT 33

RESERVE BANK OF INDIA : ISSUE DEPARTMENT

STATEMENT OF ASSETS AND LIABILITIES (ANNUAL AND WEEKLY)

		LIABILITIES		Total Liabilities (Total Notes Issued *) or Assets	ASSETS			(Lakhs of Rupees)
		Notes in Circulation†	Notes held in the Banking Department		Gold Coin and Bullion*	Foreign Securities	Rupee Securities	
As at the close of last Friday		1	2	3	4	5	6	7
1951-52	..	1,141.11	35.82	1,176.93	40.02	603.15	62.13	464.64
1952-53	..	1,133.12	17.03	1,150.15	40.02	578.15	82.12	449.86
1953-54	..	1,185.92	17.23	1,203.16	40.02	648.15	93.15	421.34
1954-55	..	1,277.09	15.92	1,293.02	40.02	646.85	102.20	523.95
1955-56	..	1,466.64	11.77	1,478.41	40.02	656.42	103.16	678.82
1956-57	..	1,526.09	11.77	1,537.86	117.76	412.52	122.61	884.97
1956-57 (weekly)								
As at the close of 1956								
April	6	1,506.69	14.78	1,521.47	40.02	686.42	106.28	688.75
"	13	1,515.98	10.05	1,526.03	40.02	681.45	105.87	698.69
"	20	1,509.65	16.67	1,526.32	40.02	681.45	106.16	698.69
"	27	1,505.01	22.35	1,527.36	40.02	681.45	107.20	698.69
May	4	1,518.51	7.18	1,525.69	40.02	681.45	105.53	698.69
"	11	1,525.88	8.78	1,534.66	40.02	681.45	104.51	708.69
"	18	1,516.28	18.50	1,534.78	40.02	681.45	104.62	708.69
"	25	1,506.13	18.98	1,525.11	40.02	681.45	104.39	698.75
June	1	1,501.54	23.44	1,525.28	40.02	676.48	105.05	703.72
"	8	1,514.52	6.45	1,524.27	40.02	666.54	104.05	713.66
"	15	1,504.31	20.75	1,525.06	40.02	666.54	104.84	713.66
"	22	1,486.87	29.68	1,516.55	40.02	656.54	106.33	713.66
"	29	1,474.07	28.27	1,502.94	40.02	646.55	107.69	708.68
July	6	1,482.50	20.03	1,502.58	40.02	636.61	107.33	718.62
"	13	1,474.60	29.37	1,503.96	40.02	626.68	108.71	728.56
"	20	1,460.01	25.20	1,485.21	40.02	616.68	109.96	718.56
"	27	1,444.28	32.69	1,477.27	40.02	616.68	111.96	708.62
August	3	1,447.15	30.29	1,477.43	40.02	616.68	112.12	708.62
"	10	1,451.78	25.95	1,477.73	40.02	616.68	112.42	708.62
"	17	1,445.44	23.65	1,469.09	40.02	606.68	113.77	708.62
"	24	1,431.62	24.05	1,455.66	40.02	606.68	115.25	693.72
"	31	1,424.51	32.63	1,457.15	40.02	606.68	116.74	693.72

September	7	..	..	..	16.25	1,456.43	40.02	596.74	116.03	703.65
"	14	..	..	..	25.04	1,457.49	40.02	596.74	117.08	703.65
"	21	..	..	..	31.56	1,449.27	40.02	596.74	118.80	693.52
"	28	..	..	..	41.31	1,450.54	40.02	586.74	120.07	703.52
October	5	..	..	..	19.64	1,450.21	40.02	586.74	119.74	703.52
"	12	..	..	..	11.64	1,449.87	117.76	526.80	119.40	685.91
"	19	..	..	..	21.01	1,450.55	117.76	521.83	120.08	690.88
"	26	..	..	..	33.07	1,451.96	117.76	492.02	121.49	720.69
November	2	..	..	..	7.62	1,451.21	117.76	462.21	120.74	750.50
"	9	..	..	..	7.45	1,460.41	117.76	462.21	119.94	760.50
"	16	..	..	..	18.14	1,461.80	117.76	462.21	121.33	760.50
"	23	..	..	..	23.19	1,462.79	117.76	457.24	122.32	763.47
"	30	..	..	..	27.20	1,465.74	117.76	457.24	125.27	765.47
December	7	..	..	..	9.71	1,473.79	117.76	447.30	123.38	785.35
"	14	..	..	..	6.82	1,473.68	117.76	447.30	123.27	785.35
"	21	..	..	..	9.36	1,474.86	117.76	447.30	124.45	785.35
"	28	..	..	..	9.14	1,475.21	117.76	447.30	124.80	785.35
1957										
January	4	..	..	..	7.55	1,489.08	117.76	447.30	123.76	800.25
"	11	..	..	..	13.16	1,508.48	117.76	447.30	123.06	820.25
"	18	..	..	..	13.66	1,508.55	117.76	442.43	123.23	825.22
"	25	..	..	..	23.36	1,509.08	117.76	427.43	123.77	840.13
February	1	..	..	..	14.55	1,508.57	117.76	412.52	123.26	855.03
"	8	..	..	..	7.01	1,526.66	117.76	412.52	121.34	855.03
"	15	..	..	..	11.28	1,526.90	117.76	412.52	121.59	855.03
"	22	..	..	..	21.08	1,527.33	117.76	412.52	122.01	875.03
March	1	..	..	..	15.58	1,526.55	117.76	412.52	121.23	875.03
"	8	..	..	..	9.55	1,538.46	117.76	412.52	120.21	884.97
"	15	..	..	..	11.41	1,536.12	117.76	412.52	120.86	884.97
"	22	..	..	..	19.41	1,537.20	117.76	412.52	121.95	884.97
"	29	..	..	..	11.77	1,537.86	117.76	412.52	122.61	884.97

† Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

* The gold reserves of the Issue Department are valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter.

** Including Government of India one rupee notes issued from July 1940.

STATEMENT 34

RESERVE BANK OF INDIA : BANKING DEPARTMENT

STATEMENT OF ASSETS AND LIABILITIES (ANNUAL AND WEEKLY)

(Lakhs of Rupees)

As at close of last Friday	LIABILITIES										ASSETS				
	Deposits					Total Liabilities** Assets	Notes and Coin abroad†	Loans and Advances to Governments	Other Purchases and Dis- counted	Invest- ments	Other Assets				
	Central Government ment	Other Govern- ment	Banks	Others	Total										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1951-52	180.16	25.06	46.99	65.90	318.11	25.90	354.01	35.98	119.92	94	61.37	3.72	102.09	29.99	
1952-53	135.78	19.85	46.52	62.81	264.96	30.69	305.65	17.24	145.53	3.30	26.95	8.80	96.12	7.72	
1953-54	65.77	62.59	42.41	43.76	214.53	25.08	249.60	17.55	104.82	51	41.10	10.74	66.16	8.72	
1954-55	59.45	60.37	47.72	21.53	188.97	29.86	228.83	16.22	83.15	45	47.87	10.37	49.38	21.39	
1955-56	67.34	62.03	53.21	16.68	199.30	49.46	258.77	11.92	89.72	—	79.94	12.23	47.19	17.77	
1956-57	64.57	31.95	57.77	74.23	228.56	17.03	399.59	11.95	114.31	7.65	127.87	2.89	121.22	13.61	
1956-57 (weekly) As at the close of 1956															
April	57.10	35.70	53.42	17.35	163.56	48.11	221.68	14.94	62.09	1.35	64.82	13.57	46.83	18.07	
"	53.28	32.36	50.95	17.10	153.69	48.34	212.03	10.20	58.73	1.20	63.07	14.15	46.56	18.11	
"	55.86	25.53	53.33	17.03	151.76	49.23	211.05	16.82	52.71	1.00	64.47	13.24	44.64	18.16	
"	58.60	27.01	50.84	17.18	153.62	49.53	213.15	22.53	44.20	1.79	69.71	12.43	44.19	18.30	
May	55.85	18.12	49.40	14.10	137.47	51.10	198.57	7.26	40.05	1.83	76.89	10.22	43.87	18.46	
"	65.38	6.67	49.73	12.86	134.64	53.90	198.54	8.90	36.54	2.58	88.08	10.11	33.75	18.58	
"	67.84	7.16	51.03	12.66	138.76	54.05	202.81	18.63	35.46	2.83	82.17	9.96	35.06	18.70	
"	56.69	9.13	51.21	12.53	129.56	53.90	193.46	19.12	30.69	2.19	78.53	8.86	35.38	18.69	
June	54.48	10.26	51.89	13.10	129.73	60.91	200.64	23.53	28.86	2.80	80.25	9.26	37.03	18.91	
"	52.47	4.93	50.18	12.47	120.05	56.30	186.34	19.54	33.10	4.55	74.92	9.04	36.33	18.87	
"	55.80	5.28	51.13	13.17	125.43	56.43	181.86	20.87	28.55	4.99	73.36	9.38	36.38	18.88	
"	62.58	8.01	51.88	13.02	135.49	56.71	202.20	29.81	32.27	5.02	71.62	8.64	35.99	18.85	
"	56.84	13.17	54.49	13.08	137.58	58.14	205.72	28.37	34.97	2.37	69.68	8.36	43.04	18.94	
July	54.23	4.77	50.56	12.64	122.20	47.26	179.56	20.13	41.87	2.95	61.08	7.65	37.31	8.56	
"	52.03	6.84	52.65	12.10	123.81	47.73	181.57	29.50	41.63	3.32	55.49	5.86	37.31	8.56	
"	83.42	13.69	55.01	11.89	162.01	48.11	220.12	25.34	47.96	4.64	71.65	3.98	51.40	13.40	
"	76.16	6.84	53.35	12.22	148.56	48.92	206.58	33.14	42.75	5.16	65.54	3.28	49.39	13.40	

August	3	..	61.05	58.6	47.96	12.22	127.02	48.66	185.68	30.58	50.79	5.04	55.37	2.41	49.41	6.27
"	10	..	54.04	9.38	51.04	11.88	126.35	40.72	185.67	29.04	51.02	7.08	49.41	.98	49.41	6.28
"	17	..	53.72	5.58	53.44	11.92	124.66	51.18	185.84	23.11	54.39	7.30	60.79	2.33	50.12	7.09
"	24	..	61.58	5.70	55.44	12.50	135.23	34.90	180.13	34.24	58.79	7.64	54.98	3.00	50.13	11.34
"	31	..	65.77	2.91	56.56	12.27	137.50	36.03	183.58	32.83	53.94	8.06	57.16	3.87	50.12	11.61
September	7	..	58.86	16.73	56.16	13.01	149.75	40.29	200.04	16.40	33.22	5.32	74.51	6.15	51.81	11.63
"	14	..	73.41	19.54	53.72	14.39	161.06	38.56	209.92	25.20	33.14	5.07	76.73	5.96	52.19	11.63
"	21	..	67.43	23.95	52.55	13.81	157.74	41.95	209.70	31.78	26.40	2.84	90.69	4.05	42.37	11.56
"	28	..	71.39	19.06	52.64	12.46	155.54	41.95	207.49	41.48	28.33	2.84	86.81	3.89	32.34	11.80
October	5	..	54.56	10.22	50.38	12.67	127.83	43.32	181.65	12.76	23.70	3.74	89.79	5.52	27.31	11.82
"	12	..	55.44	4.70	48.58	12.73	121.45	123.01	254.46	11.79	73.76	4.48	92.28	5.44	54.88	11.81
"	19	..	52.91	5.82	50.34	13.04	122.11	123.95	256.06	21.18	63.56	4.01	86.17	8.34	54.87	11.87
"	26	..	54.15	27.81	51.39	12.76	146.11	126.47	282.58	33.23	90.23	3.88	83.35	4.77	55.14	11.97
November	2	..	52.15	47.18	54.87	13.01	167.20	131.83	309.03	7.79	103.72	6	94.73	4.33	83.39	12.00
"	9	..	63.00	20.06	52.47	13.21	148.73	128.73	287.46	7.65	98.17	84	90.09	4.44	74.29	11.98
"	16	..	51.42	12.18	53.21	12.97	129.78	129.76	269.53	18.35	91.46	1.46	82.76	4.17	59.22	12.12
"	23	..	54.69	12.72	52.04	13.66	133.12	128.78	271.89	23.40	84.63	1.80	83.48	5.33	61.13	12.12
"	30	..	49.99	15.94	51.07	13.37	130.37	130.38	271.24	27.43	79.29	2.96	80.84	7.09	59.61	14.02
December	7	..	52.36	14.04	51.46	14.17	132.03	131.36	273.39	9.80	91.01	5.20	84.57	8.55	60.19	14.07
"	14	..	51.69	11.20	54.26	13.62	130.77	134.46	275.22	6.98	85.63	8.09	89.44	10.53	60.53	14.03
"	21	..	55.56	9.45	52.33	13.35	130.68	135.79	276.37	9.54	86.57	7.41	93.81	3.73	61.36	14.06
"	28	..	57.24	8.00	55.09	13.87	137.20	137.45	284.66	9.33	82.61	7.27	106.04	3.30	61.82	14.30
1957																
January	4	..	54.34	13.93	48.34	13.42	130.02	136.42	276.45	7.76	81.07	7.75	99.96	2.99	62.53	14.39
"	11	..	54.00	4.94	56.25	13.11	128.30	136.44	274.74	13.36	80.30	8.60	106.60	1.97	49.48	14.44
"	18	..	50.71	7.03	52.98	13.29	124.01	141.39	275.40	17.86	81.24	8.42	102.61	91	49.70	14.67
"	25	..	51.46	13.33	51.76	12.68	129.23	142.64	281.87	23.78	83.18	7.48	102.19	1.11	49.62	14.52
February	1	..	52.35	16.68	54.44	13.40	136.87	143.87	290.75	14.74	93.54	6.25	108.46	1.42	51.43	14.61
"	8	..	51.01	13.53	50.70	41.79	157.03	143.77	310.80	7.19	122.16	6.27	124.22	1.15	36.72	13.08
"	15	..	52.25	12.48	51.59	42.40	158.71	141.92	310.63	11.53	113.43	6.23	120.33	1.55	44.02	13.04
"	22	..	53.98	11.24	56.48	42.27	163.97	140.79	314.77	21.34	106.35	7.22	112.66	2.03	51.65	13.02
March	1	..	55.10	3.70	53.25	42.13	154.18	142.20	306.38	15.81	102.88	7.63	108.12	2.59	56.27	13.07
"	8	..	51.88	2.25	53.24	41.84	148.71	142.65	301.36	9.75	98.89	11.40	106.58	5.32	56.22	13.21
"	15	..	54.87	22.78	52.03	42.38	204.06	143.79	356.86	11.58	130.23	0.64	108.87	3.18	80.82	13.54
"	22	..	53.63	35.15	51.10	42.57	214.45	147.73	372.18	19.59	125.21	5.81	124.73	2.58	80.82	13.45
"	29	..	64.57	31.95	57.77	43.28	228.56	161.03	399.59	11.95	114.31	7.65	127.87	2.89	121.22	13.61

* Including (i) Rs. 10 crores credited to the National Agricultural Credit (Long-term Operations) Fund from February 3, 1956 and Rs. 15 crores from July 6, 1956 and (ii) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956.

** Including capital and reserves, Rs. 10 crores.

+ Including cash and short-term securities.

STATEMENT 35

RESERVE BANK OF INDIA : ISSUE DEPARTMENT (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

		LIABILITIES			ASSETS			
		Notes in Circulation*	Notes held in the Banking Department.	Total Liabilities (Total Notes* issued) or Assets	Gold Coin and Bullion†	Foreign Securities	Rupce Coin**	Rupce Securities
Average of Friday figures		1	2	3	4	5	6	7
1951-52	..	1,189,84	27,78	1,217,62	40,02	625,27	63,98	488,36
1952-53	..	1,114,84	27,87	1,142,72	40,02	564,40	80,22	458,08
1953-54	..	1,133,95	23,03	1,156,97	40,02	594,02	92,83	430,11
1954-55	..	1,196,19	22,98	1,219,18	40,02	648,81	102,26	428,09
1955-56	..	1,339,39	17,08	1,356,47	40,02	656,52	106,87	553,06
1956-57	..	1,475,77	18,75	1,494,52	40,02	545,61	115,93	755,22
April 1956	..	1,509,33	15,96	1,525,29	40,02	682,69	106,38	696,21
May	..	1,516,70	13,36	1,530,06	40,02	681,45	104,89	703,71
June	..	1,496,50	22,32	1,518,82	40,02	662,53	105,59	710,68
July	..	1,465,35	26,91	1,492,26	40,02	624,16	109,49	718,59
August	..	1,440,10	27,31	1,467,41	40,02	610,68	114,06	702,66
September	..	1,424,89	28,54	1,453,43	40,02	594,24	117,99	701,18
October	..	1,429,31	21,34	1,450,65	40,02	531,85	120,18	700,30
November	..	1,443,67	16,72	1,460,39	117,76	460,22	121,92	760,49
December	..	1,465,63	8,76	1,474,38	117,76	447,30	123,97	785,35
January 1957	..	1,488,29	15,48	1,503,77	117,76	441,09	123,46	821,46
February	..	1,508,89	13,48	1,522,36	117,76	412,52	122,05	870,03
March	..	1,521,09	13,54	1,534,64	117,76	412,52	121,37	882,98

Note.—Figures from October 1951 are net of adjustments made in respect of India notes returned from circulation in Aden.

* Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

† Valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter.

**Including Government of India one rupee notes issued from July 1940.

STATEMENT 36

RESERVE BANK OF INDIA : BANKING DEPARTMENT (ANNUAL AND MONTHLY)
(Lakhs of Rupees)

Average of Friday figures	LIABILITIES					ASSETS									(Lakhs of Rupees)	
	Deposits					Total Liabili- ties* Assets	Notes and Coin	Balances held abroad†	Loans and Advanc- es to Govern- ments	Other Loans and Advan- ces	Bills Purchas- ed and Dis- counted	Invest- ments	Other Assets			
	Central Govern- ment	Other Govern- ments	Banks	Others	Total											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
1951-52	..	181.30	15.95	58.68	69.22	325.15	18.62	353.77	27.92	187.14	5.90	19.42	6.31	95.19	11.91	
1952-53	..	136.40	7.79	52.89	61.93	259.02	23.69	292.71	28.03	133.56	2.85	19.03	6.64	89.77	12.83	
1953-54	..	105.44	23.40	46.52	57.45	232.80	23.91	266.72	23.22	123.31	1.78	19.84	9.46	81.58	7.51	
1954-55	..	89.13	20.66	55.20	36.29	201.28	23.62	234.90	23.24	87.53	1.14	26.55	6.10	80.52	9.82	
1955-56	..	60.11	19.85	53.77	18.31	152.04	35.59	197.64	17.21	66.96	1.73	36.99	9.78	49.36	15.61	
1956-57	..	57.52	14.10	52.46	19.73	143.81	91.21	245.02	18.91	64.77	4.89	85.34	5.69	51.82	13.60	
April	1956	..	56.21	30.15	52.14	17.16	155.66	48.82	214.48	16.12	54.43	1.34	65.52	13.35	45.55	18.16
May	61.44	10.27	50.36	13.04	135.11	53.24	198.35	13.48	35.69	2.36	81.42	9.79	37.02	18.61
June	56.43	8.33	51.93	12.97	129.66	57.81	197.46	22.42	31.55	3.95	73.97	8.93	37.76	18.89
July	66.46	8.06	52.39	12.23	139.14	47.81	196.96	27.03	43.55	4.02	63.43	5.19	45.80	7.93
August	59.23	5.89	52.88	12.16	130.15	44.03	184.18	27.46	31.39	7.03	57.43	2.52	49.84	8.52
September	67.77	19.82	53.77	14.67	156.02	40.76	206.79	28.72	30.52	4.02	82.18	5.01	44.68	11.66
October	54.27	12.14	50.17	12.80	129.38	104.31	243.69	21.49	64.32	4.04	87.90	6.02	48.05	11.87
November	54.25	21.61	52.73	13.24	141.84	130.00	281.83	16.92	92.06	1.43	86.38	5.07	67.53	12.45
December	54.21	10.67	54.03	13.75	132.67	134.77	277.44	8.91	86.45	6.99	93.47	6.53	60.97	14.11
January	1957	..	52.63	9.81	52.33	13.13	127.89	139.22	277.12	15.69	81.45	8.06	102.84	1.74	52.83	14.50
February	52.40	13.48	53.30	34.96	154.15	142.59	306.74	13.70	108.95	6.74	116.42	1.54	45.95	13.44
March	56.01	19.27	53.28	61.44	189.99	147.48	347.47	13.74	114.30	8.42	115.24	3.33	79.07	13.37

* Including (i) Rs. 10 crores credited to the National Agricultural Credit (Long-term Operations) Fund from February 3, 1956 and Rs. 15 crores from July 6, 1956 and (ii) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956.

** Including capital and reserves Rs. 10 crores.

+ Including cash and short-term securities.

STATEMENT 37

REMITTANCE STATISTICS

(A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA

Telegraphic Transfers Issued and Paid

Year/Half-year	TOTAL						BANGALORE†				BOMBAY				CALCUTTA				DELHI				KANPUR				MADRAS				NAGPUR‡			
	Issued		Paid				Issued		Paid		Issued		Paid		Issued		Paid		Issued		Paid		Issued		Paid		Issued		Paid		Issued		Paid	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16																		
1951-52	..	..	1,016.1	1,035.8	—	—	189.4	432.9	517.9	269.6	121.2	82.7	91.4	49.7	96.1	139.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1952-53	..	..	903.0	884.8	—	—	194.8	377.0	450.4	255.1	120.3	89.7	63.1	49.5	74.4	139.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1953-54	..	..	921.2	890.0	14.4*	8.2*	201.9	361.6	444.3	277.7	121.5	95.1	64.4	52.1	74.7	137.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1954-55	..	..	971.8	965.3	23.9	19.1	206.0	409.7	472.6	257.2	134.6	108.5	63.3	64.8	70.7	122.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1955-56	..	..	1,079.8	1,075.7	25.1	19.7	192.0	462.7	585.5	219.4	150.8	149.0	43.6	67.2	82.9	145.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1956-57	..	..	1,365.6	1,326.2	32.2	12.6	237.6	548.8	608.6	299.1	276.8	156.3	66.2	61.2	113.4	123.6	10.7**	50.6**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
April 1955 to September 1955..	498.5	504.5	11.6	2.7	94.9	232.2	257.7	130.4	75.7	60.1	18.6	15.6	40.1	62.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
October 1955 to March 1956 ..	581.4	571.2	13.5	7.0	97.1	250.4	327.8	146.9	75.1	89.0	25.0	51.6	42.9	83.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
April 1956 to September 1956..	611.2	593.6	14.6	6.1	103.1	282.9	296.4	119.5	100.0	68.7	40.2	50.3	55.0	55.7	1.9	0.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
October 1956 to March 1957 ..	754.4	732.6	17.6	6.5	134.5	265.9	372.2	210.7	136.8	87.6	26.0	33.9	58.5	78.1	8.8	56.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

Note.—Telegraphic Transfers Issued comprise all transfers of funds by telegram made by the respective office of the Reserve Bank to its other offices, agencies and the treasury agencies. *Telegraphic Transfers Paid* comprise all encashments of telegraphic transfers drawn on the respective office of the Reserve Bank by its other offices, agencies and the treasury agencies. The agencies consist of the *State Bank of India* (the *Imperial Bank of India* prior to July 1, 1955), the *State Bank of Hyderabad* (from April 1, 1953) and the *Bank of Mysore* (from November 1, 1953).

† Opened in July 1953.

‡ Opened in September 1956.

* Nine months ended March 1954.

** Seven months ended March 1957.

STATEMENT 37—(Contd.)

(B) REMITTANCES* BETWEEN THE OFFICES OF THE STATE BANK OF INDIA†

(Crores of Rupees)															
Total Remittances	To Bengal Circle From					To Bombay Circle From				To Madras Circle From					
	1	2	3	4	5	Total	Bengal Circle (Intra-State)	Bengal Circle	Bombay Circle (Intra-State)	Bombay Circle	Total	Bengal Circle	Bombay Circle	Madras Circle (Intra-State)	
1951-52	..	1,473.1	557.9	372.8	146.8	38.4		570.6	144.4	350.7	75.5	344.6	41.2	41.7	261.7
1952-53	..	1,304.0	501.6	356.0	114.5	31.1		510.9	141.9	309.5	59.6	291.5	30.7	36.1	224.7
1953-54	..	1,344.8	561.4	409.6	124.1	27.8		523.7	160.6	311.4	51.7	259.6	33.5	37.3	183.8
1954-55	..	1,423.8	604.0	450.6	116.9	36.5		551.2	154.5	339.1	57.6	268.6	36.9	42.2	189.5
1955-56	..	1,675.9	719.1	548.3	133.2	37.7		645.3	217.4	368.6	59.2	311.5	50.6	50.3	210.6
1956-57	..	1,962.3	848.6	646.0	161.8	40.8		748.9	243.3	419.7	85.9	364.8	50.2	60.6	254.0

Note.—Figures relate to the Indian Union. * Telegraphic Transfers paid, Mail Transfers received, Drafts paid and Demand Drafts purchased. † Figures prior to July 1, 1955 relate to the Imperial Bank of India.

(C) REMITTANCES EFFECTED BETWEEN RESERVE BANK OFFICES, AGENCIES AND TREASURY AGENCIES (ANNUAL)

On behalf of	1951-52		1952-53		1953-54		1954-55		1955-56	
	Number		Number		Number		Number		Number	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
The General Public	..	6.97	312.1	7.24	278.9	7.78	271.3	8.84	292.9	9.70
Scheduled Banks :
At a premium	..	32	820.4	34	745.1	31	753.5	29	792.5	30
Approved Non-Scheduled Banks and Indigenous Bankers	..	65	179.0	67	224.2	73	249.1	75	269.8	75
Co-operative Banks and Societies :
At a premium	..	11	10.6	11	13.1	11	21.1	11	20.4	13
Local Funds at a premium
Other Remittances at Par
Governments :
Intra-State at a premium	..	3.60	135.7	3.87	115.0	4.22	133.1	5.11	106.3	6.74
Extra-State at a premium	..	53	16.5	59	24.1	77	26.7	96	24.5	1.17
Total	..	15.36	1,776.9	16.31	1,628.2	17.81	1,686.7	20.16	1,780.1	23.25
	2,155.6

(Number in Thousands)
(Rupees in Crores)

STATEMENT 37—(Contd.)
(D) REMITTANCES EFFECTED BETWEEN RESERVE BANK OFFICES, AGENCIES AND
TREASURY AGENCIES (HALF-YEARLY)

On behalf of	Half-year ended September 30, 1955			Half-year ended March 31, 1956			(Rupees in Lakhs)		
	Telegraphic Transfers		Number	Drafts and Mail Transfers		Number	Half-year ended September 30, 1956		Number
	Amount	Amount		Amount	Amount		Telegraphic Transfers	Drafts and Mail Transfers	Amount
The General Public:									
Scheduled Banks:	25,111	52.91	4,33,288	91.57	28,872	85.55	27,879	77.19	5,05,777
At par	14,255	423.65	905	9.94	14,151	418.15	19,596	509.65	1,179
At a premium	11,413	106.39	24,979	23.82	13,432	144.23	11,591	106.81	28,774
Approved Non-Scheduled Banks and Indigenous Bankers:									
Co-operative Banks and Societies:	703	3.61	5,730	4.61	758	4.30	770	3.82	7,018
At par	300	7.76	341	3.05	347	7.34	343	10.80	583
At a premium	1,905	8.15	25,239	19.08	2,119	10.70	2,332	11.88	31,083
Local Funds at a Premium	18	*	2,257	32	13	*	28	20	2,454
Other Remittances at par	3,644	48.23	1,77,997	56.95	4,011	41.23	5,444	68.78	2,07,287
Governments:									
Intra-State at par	665	1.34	2,58,520	120.88	1,835	15.98	1,908	22.12	3,38,092
Extra-State at a premium	403	51	37,604	11.27	835	2.88	544	1.88	52,959
Total	58,417	652.55	9,66,860	341.50	66,373	730.36	70,435	813.13	11,75,176

* Less than Rs. 50,000

STATEMENT 38

ENCASHMENT OF FOREIGN CIRCLE NOTES @, 1956-57

Circle of Issue	Cashed at								(Lakhs of Rupees)
	Bombay	Bangalore	Calcutta	Delhi	Kanpur	Madras	Nagpur	Total	
Bombay	2.95	1.05	1.27	18+	6.84	
Calcutta	1.30	2.41	1.48	52	3+	6.35	
Delhi	42	..	62	12	..	2.17	
Kanpur	31	1.34	..	7	..	2.12	
Madras	27	51	14	..	..	2.28	
Karachi	*	*	*	*	*	2	
Lahore	4	3	1	*	*	9	
Rangoon	*	*	*	*	..	
Total	..	15	2.30	7.25	3.30	1.99	23	19.87	

@ Relates to registered notes.

* Less than Rs. 50,000.

† Includes foreign circle notes taken over consequent on reorganisation of circles.

STATEMENT 39

PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1956-57

	As on	Average† for					1956-57		Difference
	November 14, 1951	March 1956	June 1956	September 1956	December 1956	March 1957	Highest	Lowest	of March 1957 over March 1956
LOANS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Terminables :</i>									
Under 5 years									
3 % 1957 ..	99.87	99.62	99.81	99.75	99.75	99.75	99.81	99.69	+ 0.13
3 % 1958 ..	99.75	99.56	99.62	99.56	99.56	99.62	99.69	99.56	+ 0.06
3 % 1959-61	98.37	98.06	98.12	98.00	97.87	97.75	98.19	97.62	— 0.31
2½ % 1960 ..	95.69	96.19	96.31	96.37	96.37	96.37	96.44	96.19	+ 0.18
2½ % 1961 ..	93.69	93.37	93.56	93.44	93.37	93.37	93.56	93.19	
3½ % 1961 ..		99.37	99.69	99.19	99.25	99.44	99.87	99.12	+ 0.07
Between 5 and 10 years									
2½ % 1962 ..	94.44	93.75	93.94	93.94	93.87	93.87	94.00	93.75	+ 0.12
3½ % 1962@ ..				97.94	97.87	97.81	98.00	97.81	
3 % 1963-65	95.69	94.62	95.12	94.56	94.25	94.19	95.19	94.12	— 0.43
3 % 1964 ..	95.75	94.62	94.94	94.69	94.37	94.44	95.00	94.37	— 0.18
2½ % 1964 ..		98.50	98.75	98.56	98.25	98.37	98.81	98.19	— 0.13
3½ % 1965 ..		98.44	98.75	98.44	98.37	98.25	98.94	98.12	— 0.19
3 % 1966-68	93.94	92.56	93.25	93.12	92.37	92.25	93.31	92.25	— 0.31
Between 10 and 15 years									
3½ % 1967@ ..				98.44	98.37	98.44	98.50	98.37	
3 % 1970-75	92.81	89.25	90.37	89.62	86.94	87.37	90.37	86.87	— 1.88
Over 15 years									
3½ % 1974@				98.44	98.50	98.50	98.56	98.44	
2½ % 1976 ..	89.00	82.44	82.81	82.87	83.12	83.12	83.12	82.50	+ 0.68
<i>Non-Terminables:</i>									
3% Conversion Loan 1986 or later ..	92.50	77.00	77.44	75.19	73.00	74.44	77.62	72.94	— 2.56
3% Rupee Paper	92.50	77.25	77.25	75.12	73.00	73.00	77.25	73.00	— 4.25

Note.—The maturity classification is as of March 31, 1957 and on the assumption of the earlier date of redemption.

† Average of closing quotations for working days.

@Issued on July 16, 1956.

STATEMENT 40

AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES (ANNUAL AND MONTHLY)

LOANS		As on Nov. 14, 1951	Average for					Annual Average		Difference of March 1957 over March 1956
			March 1956	June 1956	Sept. 1956	Dec. 1956	Mar. 1957	1956-57	1955-56	
<i>Terminables:</i>										
Under 5 years:										
3 % 1957 ..	..	..	3.27	3.16	3.27	3.36	3.54	3.25	3.24	- 0.27
3 % 1958 ..	..	3.02	3.19	3.18	3.23	3.27	3.27	3.22	3.21	+ 0.08
3 % 1959-61 ..	..	3.04	3.61	3.63	3.73	3.85	3.98	3.76	3.57	+ 0.37
2½ % 1960 ..	..	(3.19)	(3.40)	(3.45)	(3.50)	(3.56)	(3.56)	(3.46)	(3.36)	(+ 0.16)
2½ % 1961 ..	..	3.33	3.71	3.73	3.77	3.84	3.92	3.80	3.79	+ 0.21
3½ % 1961 ..	..	3.26	3.88	3.90	3.99	4.09	4.17	3.80	3.94	- 0.29
3½ % 1961 ..	..	..	3.64	3.57	3.69	3.63	3.64	3.68	3.58	—
Between 5 and 10 years:										
2½ % 1962 ..	..	3.36	3.82	3.83	3.86	3.92	3.97	3.88	3.83	+ 0.15
3½ % 1962 @ ..	..	..	3.86	3.80	3.65	3.67	3.70	..	..	..
3 % 1963-65 ..	..	3.46	(3.70)	(3.61)	3.93	4.02	4.07	3.93	3.85	+ 0.21
3 % 1964 ..	..	(3.40)	(3.76)	(3.74)	(3.80)	(3.76)	(3.79)	(3.76)	(3.70)	(+ 0.09)
3½ % 1964 ..	..	3.42	3.76	3.74	3.80	3.87	3.89	3.81	3.77	+ 0.13
3½ % 1965 ..	..	..	3.72	3.68	3.72	3.78	3.77	3.72	3.68	- 0.05
3½ % 1965 ..	..	..	3.70	3.66	3.71	3.72	3.75	3.70	3.68	- 0.05
3 % 1966-68 ..	..	3.52	3.87	3.80	3.83	3.95	3.99	3.88	3.95	+ 0.12
3 % 1966-68 ..	..	(3.48)	(3.75)	(3.69)	(3.72)	(3.81)	(3.84)	(3.76)	(3.83)	(+ 0.09)
Between 10 and 15 years:										
3½ % 1967 @ ..	..	..	3.98	3.88	3.67	3.69	3.68	..	..	..
3 % 1970-75 ..	..	3.52	(3.78)	(3.70)	3.97	4.26	4.23	4.05	4.12	+ 0.25
3 % 1970-75 ..	..	(3.44)	..	..	(3.77)	(4.00)	(3.97)	(3.83)	(3.90)	(+ 0.19)
Over 15 years:										
3½ % 1974 @ ..	..	..	4.02	4.00	3.87	3.87	3.87	4.02	4.02	- 0.01
2½ % 1976 ..	..	3.41	..	..	4.00	3.99	4.01	..	..	..
<i>Non-terminables:</i>										
3 % Conversion Loan 1986 or later F ..	..	3.37	3.90	3.88	3.99	4.11	4.03	3.99	3.74	+ 0.13
3 % Rupee Paper F ..	..	3.25	3.89	3.89	3.99	4.11	4.11	4.00	3.76	+ 0.22

Note. — The maturity classification is as of March 31, 1957 and on the assumption of the earlier date of redemption. Yields are gross, i.e. not allowing for Income-tax and are based on prices quoted at Bombay.

In the case of two dated loans, the yields to the later date of redemption are shown in brackets.

@ Issued in July 1956.

F = Flat yield.

STATEMENT 41

PRICES OF REPRESENTATIVE INDUSTRIAL SHARES, 1956-57

SCRIPTS	End of					1956-57		Percentage variations of		
	Sept. 1953	Nov. 1955	March 1956	June 1956	Sept. 1956	Dec. 1956	March 1957	Highest	Lowest	
	1	2	3	4	5	6	7	8	9	10 11
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Steels:										
Tata Ordinary	314.75	270.75	252.25	197.75xr	198.75	173.50	169.50	256.75	166.00	
Indian Iron	23.16	43.25xd	35.12	35.62	36.12	28.37	19.50xr	39.12	19.06xr	
Textiles :										
Bombay Dyeing	356.25xd	617.50	637.50	634.37	632.50xd	581.25	553.75	702.50	531.25	- 12.1
Kohinoor	276.50xd	356.00	364.50	370.00	358.00	321.00	324.00	402.00	312.00	- 11.1
Century	275.50	495.00	539.00	560.50	555.50	515.00	450.00	609.50	441.50	- 16.5
Buckingham	122.00	181.50	184.00xd	202.00	202.75	176.50	174.00	216.00	173.00	- 4.1
Bank and Insurance:										
India	155.50	160.00	154.50	160.75	172.50	140.00	134.50xd	179.00	133.50xd	
Central	63.75	53.00	47.75xd	51.00	53.50	51.75	48.50xd	56.75	46.25xd	+ 1.6
Oriental	7050.00	5800.00	3900.00	3855.00	3650.00	3640.00	3775.00	3900.00	3640.00	- 34.9
New India	39.75	49.50	38.75	47.25	46.00	43.25	40.00	51.00	37.75	+ 19.2
Jute :										
Anglo-India	200.00	228.00	185.00	171.00	193.00	135.00xd	138.00	193.00	124.00	- 25.4
Howrah	23.00	30.12	23.00xd	22.00	24.00	20.00	16.00	25.06	15.62	- 46.9
National	34.31	34.31	25.37	23.25	25.50	18.62xd	19.75	26.87	17.81	- 42.4
Coal :										
Bengal	507.00	548.00	543.00	540.00	508.00xd	441.00	442.00	559.00	440.00	- 19.4
Burrakur	8.81	16.69	14.62	13.50	15.87	21.31	21.31	22.94	13.06	+ 77.7
Tea :										
Hasimara	27.50	41.62	38.62	38.87	32.87	30.75	27.50	41.75	27.25	- 25.8
Parakola	125.00	185.50	205.00	195.00	221.00	214.00	162.00	240.00	160.00	- 21.9
Miscellaneous :										
Carew Sugar	7.12	13.31	9.06xd	10.00	8.94	8.62	7.50	10.37	7.05	- 43.7
Belapur Sugar	242.00	372.00	235.00xr	235.50	254.00	241.00	227.00	259.50	217.00	- 3.4
Chembra Peak	2.31	4.87	4.81	5.31	4.69	3.62	3.81	5.29	3.56	- 29.8
Cochin Malabar	6.37xr	8.87	8.87	9.50	12.25	9.25	13.37	13.37	8.37	- 5.6
A.C.C.	170.00xr	227.25	224.00	189.50	202.00	180.50	160.00xr	225.00	158.00xr	
Fertilisers and Chemicals,										
Travancore-Cochin	3.00	7.56	7.06	6.50	7.12	6.37	5.87	7.44	5.87	- 16.9
Scindia Steam	13.66	18.03	18.31xd	18.53	19.41	18.59	19.29	21.72	17.06	+ 8.7

xd = Ex-dividend.

xr = Ex-right.

STATE YIELD (TAX-FREE) ON INDUSTRIAL SECURITIES--ALL-INDIA

(Compiled by the Department of Research and

ALL

Average of months/ month		Deben- tures (Total)	Prefe- rence (Total)	Variable				Dividend				Industrial		
				Total	Financial			Public Utilities		Manufacturing				
					Banks	Insur- ance	Invest- ment Trust	Electri- city	Ship- ping and Other Trans- port	Cotton Tex- tiles*	Jute Tex- tiles	Iron and Steel†	Paper	
		1	2	3	4	5	6	7	8	9	10	11	12	
1	1953-54	..	3.93	5.28	6.07	5.32	4.40	6.88	6.09	5.70	6.36	6.05	4.67	6.56
2	1954-55	..	3.79	5.21	5.69	5.19	3.90	6.12	5.82	5.01	5.85	3.92	3.55	4.71
3	1955-56	..	3.82	5.29	5.01	5.70	4.71	6.01	5.75	4.52	5.26	4.08	3.21	4.75
4	1956-57	..	3.96	5.43	5.68	5.77	6.60	6.53	6.16	5.12	5.25	4.55	3.40	6.05
5	April 1955	..	3.81	5.25	4.85	5.56	3.78	6.11	5.65	4.60	5.86	3.30	3.36	3.94
6	May "	..	3.82	5.25	4.97	5.63	3.95	6.19	5.73	4.61	5.92	3.40	3.45	3.95
7	June "	..	3.82	5.26	5.05	5.92	4.10	6.18	5.75	4.67	5.90	3.42	3.49	4.39
8	July "	..	3.82	5.27	4.94	5.88	3.95	6.01	5.72	4.64	5.57	3.54	3.23	4.74
9	August "	..	3.81	5.28	4.92	5.71	4.42	5.92	5.76	4.54	5.45	3.72	3.01	4.55
10	September "	..	3.82	5.30	4.90	5.80	4.60	5.91	5.73	4.46	5.27	4.03	3.07	4.83
11	October "	..	3.84	5.30	4.95	5.69	4.65	5.82	5.58	4.35	5.02	4.30	3.04	5.03
12	November "	..	3.81	5.30	4.82	5.54	4.64	5.60	5.61	4.26	4.74	4.32	2.86	4.75
13	December "	..	3.81	5.28	4.84	5.39	4.95	5.76	5.76	4.27	4.62	4.34	2.92	4.81
14	January 1956	..	3.81	5.32	5.03	5.51	5.35	6.08	5.87	4.45	4.81	4.64	3.21	5.16
15	February "	..	3.82	5.36	5.26	5.85	5.96	6.26	5.93	4.67	4.97	4.95	3.49	5.38
16	March "	..	3.84	5.27	5.56	5.97	6.15	6.28	5.88	4.74	4.96	5.04	3.43	5.49
17	April "	..	3.85	5.25	5.59	6.01	6.58	6.35	5.94	4.78	4.96	5.22	3.30	5.63
18	May "	..	3.88	5.27	5.57	5.88	6.61	6.45	6.06	4.78	4.89	5.33	3.19	5.74
19	June "	..	3.89	5.26	5.64	5.77	6.37	6.46	6.12	4.67	4.80	5.16	3.08	5.46
20	July "	..	3.90	5.25	5.67	5.69	6.08	6.54	6.03	4.60	4.74	5.49	3.16	5.64
21	August "	..	3.91	5.28	5.64	5.51	6.42	6.52	6.03	4.53	4.74	5.08	3.05	5.67
22	September "	..	3.91	5.42	5.45	5.55	6.65	6.48	6.09	4.54	4.95	4.05	3.15	5.82
23	October "	..	3.91	5.51	5.47	5.52	6.81	6.42	6.12	4.62	5.14	3.90	3.29	5.98
24	November "	..	3.95	5.52	5.58	5.53	6.67	6.50	6.17	5.30	5.24	4.17	3.33	6.16
25	December "	..	4.02	5.56	5.75	6.61	6.59	6.60	6.22	5.86	5.63	4.02	3.61	6.53
26	January 1957	..	4.06	5.58	5.91	5.88	6.76	6.55	6.27	5.91	5.87	4.11	3.83	6.67
27	February "	..	4.06	5.62	5.88	6.02	6.78	6.59	6.43	5.85	5.88	3.96	3.80	6.51
28	March "	..	4.11	5.66	6.05	6.27	6.93	6.84	6.48	5.95	6.11	4.13	3.99	6.74

Note.—Discontinuities arising out of exclusion of scrips of those Companies declaring, nil, dividend are indicated by lines running across the column.

* Including woollen and silk.

† Estimated from July 1956.

MENT 42**AND REGIONAL—BY GROUPS AND SUB-GROUPS**

Statistics of the Reserve Bank of India

(Per cent per annum)

INDIA

Securities								REGIONAL				
Industries				Non-Manufacturing Industries				Variable Dividend Industrial Securities				
Cement	General Engineering	Sugar*	Chemicals	Coal	Mining and Oil	Plantations	Miscellaneous	Bombay	Calcutta	Madras	Delhi	
13	14	15	16	17	18	19	20	21	22	23	24	
5.76	5.30	6.90	6.89	7.39	7.52	6.83	6.40	5.27	6.12	7.02	6.69	1
5.00	3.56	5.55	5.18	5.55	5.41	5.46	5.14	4.79	4.91	6.50	5.78	2
4.51	3.30	5.13	5.38	5.24	6.41	9.99	3.07	4.55	4.98	6.86	4.63	3
4.56	4.53	5.79	5.90	6.28	7.81	9.43	6.33	5.05	5.82	6.54	6.14	4
4.93	3.31	5.36	5.05	5.33	5.18	7.15	3.10	4.63	4.65	6.77	4.77	5
4.96	3.36	5.34	5.42	5.46	5.90	7.85	3.13	4.73	4.74	6.93	5.03	6
4.98	3.50	5.38	5.61	5.34	7.18	7.72	3.20	4.81	4.86	7.21	5.03	7
4.52	3.37	5.22	5.34	5.07	6.88	8.11	3.16	4.66	4.82	7.00	4.77	8
4.33	3.25	4.91	5.26	4.94	6.42	9.38	2.97	4.50	4.84	6.87	4.81	9
4.33	3.21	4.86	5.25	5.04	6.23	9.28	2.85	4.50	4.86	6.89	4.42	10
4.10	3.14	4.77	5.33	5.20	6.20	11.23	2.82	4.31	5.08	6.82	4.24	11
3.87	3.09	4.76	5.28	5.36	5.84	11.28	2.64	4.13	4.99	6.64	4.01	12
4.27	2.99	4.97	5.27	5.21	6.46	11.68	2.52	4.22	4.91	6.68	3.92	13
4.52	3.18	5.16	5.31	5.09	6.69	12.12	2.60	4.46	5.06	6.83	4.05	14
4.76	3.60	5.36	5.60	5.36	7.04	12.21	2.76	4.73	5.30	6.87	4.51	15
4.60	3.62	5.41	5.80	5.47	6.89	11.93	5.07	4.90	5.66	6.81	6.06	16
4.51	3.65	5.63	5.86	5.51	6.89	11.24	5.36	4.92	5.73	6.73	6.05	17
4.42	3.70	5.70	5.87	5.59	6.50	11.30	5.34	4.86	5.75	6.52	5.87	18
4.39	4.15	5.62	5.78	5.92	6.87	11.35	6.25	4.81	5.93	6.44	5.59	19
4.40	4.34	5.65	5.82	6.21	7.43	11.28	6.26	4.75	6.04	6.39	5.42	20
4.37	4.40	5.73	5.88	6.49	7.41	11.84	6.17	4.61	6.02	6.29	5.78	21
4.28	4.39	5.70	5.71	6.31	7.45	9.47	6.15	4.78	5.61	6.29	5.84	22
4.38	4.29	5.69	5.76	6.32	7.43	8.89	6.18	4.90	5.55	6.33	5.97	23
4.41	4.60	5.79	5.77	6.40	7.69	8.81	6.35	5.00	5.64	6.46	6.06	24
4.62	5.01	6.08	5.98	6.51	8.60	7.40	6.96	5.30	5.72	6.67	6.43	25
4.72	5.21	6.20	6.01	6.62	8.89	7.21	7.18	5.45	5.90	6.83	6.80	26
5.02	5.22	5.76	5.99	6.57	9.02	7.44	6.81	5.54	5.83	6.78	6.87	27
5.19	5.39	5.92	6.39	6.84	9.53	7.00	7.01	5.71	6.07	6.76	6.97	28

* Including Breweries.

STATE ALL-INDIA AND REGIONAL INDICES

(Base .
(Compiled by the Department of Research

				Government and Semi-Government Securities				Deben.	
Average for the last week of				All-India	Bombay	Calcutta	Madras	All-India	Bombay
1	1953-54	..	..	90.4	89.9	90.4	90.7	101.4	101.4
2	1954-55	..	..	90.6	90.0	90.5	90.9	100.6	99.1
3	1955-56	..	..	90.9	90.3	90.8	91.2	101.1	100.6
4	1956-57	..	..	90.0	89.3	89.9	90.2	98.9	90.0
1956-57(weekly)									
Average for the week ended									
5	April	7	..	90.9	90.3	90.8	91.2	100.9	100.0
6	"	14	..	90.9	90.4	90.8	91.2	100.9	100.0
7	"	21	..	90.9	90.4	90.9	91.2	100.9	100.0
8	"	28	..	91.0	90.4	90.9	91.2	100.9	100.0
9	May	5	..	91.0	90.5	91.0	91.3	100.9	100.0
10	"	12	..	91.1	90.6	91.1	91.4	100.9	100.0
11	"	19	..	91.2	90.7	91.1	91.5	100.8	100.0
12	"	26	..	91.2	90.7	91.1	91.5	100.8	100.0
13	June	2	..	91.2	90.7	91.2	91.5	100.6	101.0
14	"	9	..	91.2	90.7	91.2	91.5	100.5	100.0
15	"	16	..	91.3	90.7	91.2	91.5	100.5	100.0
16	"	23	..	91.3	90.7	91.2	91.5	100.5	99.9
17	"	30	..	91.2	90.7	91.2	91.5	100.5	99.8
18	July	7	..	91.2	90.7	91.2	91.5	100.5	99.8
19	"	14	..	91.2	90.6	91.1	91.5	100.5	99.8
20	"	21	..	91.1	90.5	91.0	91.4	100.4	99.7
21	"	28	..	91.1	90.5	91.0	91.4	100.4	99.7
22	August	4	..	91.0	90.5	90.9	91.3	100.3	99.7
23	"	11	..	90.9	90.3	90.8	91.2	100.3	99.7
24	"	18	..	90.8	90.2	90.6	91.1	100.4	99.7
25	"	25	..	90.7	90.2	90.6	91.0	100.3	99.7
26	September	1	..	90.7	90.2	90.6	91.0	100.3	99.7
27	"	8	..	90.7	90.2	90.6	91.0	100.3	99.7
28	"	15	..	90.7	90.1	90.6	91.0	100.3	99.7
29	"	22	..	90.6	90.0	90.5	90.8	100.3	99.7
30	"	29	..	90.6	89.9	90.5	90.8	100.3	99.7
31	October	6	..	90.5	89.9	90.4	90.8	100.3	99.7
32	"	13	..	90.5	89.9	90.3	90.7	100.3	99.7
33	"	20	..	90.4	89.8	*	90.7	100.3	99.7
34	"	27	..	90.3	89.7	90.2	90.5	100.3	99.7
35	November	3	..	90.2	89.6	90.1	90.5	100.2	99.7
36	"	10	..	90.2	89.6	90.1	90.4	100.2	99.7
37	"	17	..	90.0	89.4	90.0	90.2	100.2	99.7
38	"	24	..	89.9	89.3	89.9	90.1	100.1	99.7
39	December	1	..	89.9	89.2	89.8	90.1	100.1	99.7
40	"	8	..	89.8	89.1	89.6	89.9	100.1	99.5
41	"	15	..	89.7	89.1	89.6	89.9	100.0	99.4
42	"	22	..	89.7	89.1	89.6	89.9	100.0	99.4
43	"	29	..	89.7	*	89.5	89.9	100.0	*
44	January	5	..	89.7	89.0	89.5	89.9	100.0	99.4
45	"	12	..	89.7	89.0	89.5	89.9	100.0	99.4
46	"	19	..	89.7	89.1	89.6	89.9	100.0	99.4
47	"	26	..	89.8	89.2	89.6	89.9	99.4	99.4
48	February	2	..	89.8	89.2	89.7	90.0	99.1	99.4
49	"	9	..	89.8	89.2	89.7	90.0	99.1	99.4
50	"	16	..	89.8	89.2	89.7	90.0	99.0	99.4
51	"	23	..	89.9	89.3	89.8	90.1	99.0	99.4
52	March	2	..	89.9	89.4	89.8	90.1	98.9	99.4
53	"	9	..	90.0	89.4	89.8	90.2	98.9	99.4
54	"	16	..	90.0	89.4	89.8	90.2	99.0	99.2
55	"	23	..	89.9	89.4	89.8	90.2	98.9	99.0
56	"	30	..	90.0	89.3	89.9	90.2	98.9	99.0

* Market closed.

MENT 43**(ANNUAL AND WEEKLY) OF SECURITY PRICES**

1949-50 = 100)

and Statistics of the Reserve Bank of India)

tures		Fixed Dividend Industrial Securities				Variable Dividend Industrial Securities				
Calcutta	Madras	All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras	
102.2	100.0	88.1	92.6	85.1	89.8	102.6	112.3	94.4	100.5	1
101.3	100.5	87.4	91.7	83.2	94.4	115.8	119.0	109.7	110.2	2
102.1	100.1	85.7	90.2	80.3	97.0	124.6	131.5	112.7	126.8	3
98.6	99.5	79.3	83.4	73.4	93.8	109.2	119.1	95.8	122.5	4
101.7	100.1	85.7	90.2	80.4	97.0	124.4	131.0	112.7	126.5	5
101.6	100.1	85.6	89.9	80.4	97.0	123.0	128.9	111.6	126.1	6
101.6	100.2	85.4	89.3	80.3	97.4	122.8	128.5	111.4	126.7	7
101.6	100.2	85.4	89.3	80.2	97.7	122.2	127.2	111.1	127.0	8
101.6	100.2	85.3	89.2	80.2	97.4	122.4	127.9	110.9	128.0	9
101.6	100.2	85.1	89.1	79.8	97.4	124.1	131.0	111.4	130.6	10
101.5	100.2	85.0	89.1	79.8	97.4	124.3	130.8	111.8	131.3	11
101.4	100.2	85.1	89.1	79.8	97.7	124.4	131.0	111.6	132.4	12
101.1	100.2	85.1	88.8	79.9	97.8	124.4	131.1	111.4	132.7	13
100.9	100.2	85.1	88.8	79.9	97.9	125.7	133.7	111.7	133.8	14
100.9	100.2	85.2	88.8	80.1	97.8	125.2	133.0	111.1	134.4	15
100.9	100.2	85.3	89.1	80.1	97.8	125.5	133.8	110.8	134.4	16
100.9	100.2	85.3	89.2	80.1	97.8	124.8	132.8	110.3	134.4	17
100.9	100.2	85.3	89.3	80.3	96.5	124.4	132.7	109.6	134.4	18
100.9	100.2	85.5	89.4	80.5	96.8	124.7	133.6	109.0	136.3	19
100.8	100.2	85.2	89.5	80.1	96.1	125.7	136.4	108.7	138.1	20
100.7	100.2	85.1	89.8	79.7	96.4	125.7	137.0	108.3	138.6	21
100.7	100.2	85.2	89.8	79.7	96.7	126.3	138.2	108.5	138.8	22
100.7	100.2	85.4	89.9	80.0	97.0	127.0	139.2	108.9	139.1	23
100.7	100.2	85.3	89.9	79.8	97.0	127.9	140.8	109.4	140.3	24
100.7	100.1	85.0	89.9	79.3	97.2	128.5	141.1	110.0	141.6	25
100.7	100.1	84.9	90.0	79.0	97.6	128.6	140.7	110.6	142.1	26
100.7	99.9	83.7	87.2	78.6	97.1	126.9	136.9	110.2	140.3	27
100.7	99.9	83.5	86.9	78.2	97.4	126.0	135.1	110.1	139.3	28
100.7	99.9	83.4	87.1	77.9	97.5	126.2	135.3	110.2	139.3	29
100.7	99.9	83.3	87.5	77.6	97.5	126.6	136.4	110.4	138.9	30
100.8	99.9	83.0	87.6	76.9	97.4	125.9	135.3	110.3	137.5	31
100.8	99.9	82.7	87.2	76.7	97.6	125.0	133.8	110.2	135.2	32
*	99.9	82.6	86.9	*	97.6	124.8	133.5	*	134.8	33
100.7	99.9	82.6	86.8	76.6	97.5	123.9	132.6	109.4	134.0	34
100.5	99.9	82.5	86.7	76.6	97.4	123.6	133.1	108.8	132.5	35
100.5	99.9	82.3	86.3	76.5	97.1	123.1	132.6	108.5	131.9	36
100.5	99.9	81.5	85.5	75.4	97.0	122.4	131.7	108.0	131.2	37
100.5	99.8	81.2	85.1	75.2	97.0	122.4	132.0	107.8	133.5	38
100.5	99.8	81.1	84.6	75.2	96.9	121.4	130.7	107.1	132.5	39
100.5	99.7	80.9	84.5	75.1	96.8	118.7	127.4	105.3	129.6	40
100.5	99.7	80.9	84.6	75.0	96.8	117.0	126.2	103.3	128.7	41
100.5	99.7	80.5	84.5	74.4	96.2	115.2	124.0	101.7	127.2	42
100.5	99.7	80.2	*	73.9	96.2	114.5	*	100.8	126.2	43
100.5	99.7	80.3	84.9	74.1	95.5	113.4	121.8	100.0	125.4	44
100.5	99.7	80.5	85.4	74.1	95.0	112.6	121.4	99.1	125.1	45
100.5	99.7	80.4	85.4	74.1	94.6	113.7	124.0	99.5	125.4	46
99.3	99.7	80.5	85.4	74.1	94.8	115.1	125.9	100.8	127.0	47
98.6	99.7	80.1	84.3	74.2	94.8	114.7	124.8	100.9	126.7	48
98.6	99.7	79.9	83.6	74.2	94.8	114.1	123.9	100.7	126.5	49
98.5	99.7	79.6	83.4	73.8	94.4	113.6	123.1	100.3	125.7	50
98.4	99.7	79.6	84.2	73.4	94.6	112.1	121.5	99.0	125.2	51
98.4	99.6	79.8	84.7	73.4	94.5	110.9	120.2	97.8	125.3	52
98.4	99.7	80.0	84.9	73.8	94.5	111.9	122.7	97.7	126.5	53
98.6	99.6	80.1	84.8	73.8	94.6	111.9	122.6	97.8	126.6	54
98.6	99.6	79.7	84.2	73.8	94.1	111.5	122.5	97.5	124.8	55
98.6	99.5	79.3	83.4	73.4	93.8	109.2	119.1	95.8	122.5	56

STATE

INDEX NUMBERS OF SECURITY

(Compiled by the Department of Research)

Average of weeks	GROUP INDICES				SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES		
	Government and Semi-Government Securities	Debentures	Preference Shares (Fixed Dividend)	Variable Dividend	Government of India	States	Municipal, Port Trust and Improvement Trust
	1	2	3	4	5	6	7
(Base: 1938=100)							
1 1951-52	95.8		97.2	127.8	95.9	97.6*	92.6
2 1952-53	91.7		90.8	107.3	91.8	94.9*	86.8
(Base: 1949-50=100)							
3 1952-53	90.1		87.3	94.0	89.9	96.0*	90.2
4 1953-54	90.4	101.1	87.3	95.6	90.2	95.6	89.7
5 1954-55	90.5	100.7	88.4	112.9	90.4	95.9	89.3
6 1955-56	90.9	100.8	87.3	121.6	90.8	96.4	89.4
7 1956-57	90.5	100.1	82.9	121.2	90.2	96.7	90.6
8 April 1955 ..	90.5	100.6	87.5	115.4	90.4	96.1	89.3
9 May	90.7	100.7	87.7	112.9	90.6	96.2	89.4
10 June	90.8	100.6	87.6	113.1	90.7	96.3	89.4
11 July	90.9	100.7	87.8	117.9	90.8	96.4	89.5
12 August	90.9	100.7	87.8	122.7	90.7	96.4	89.5
13 September ..	90.9	100.7	87.2	122.7	90.7	96.4	89.4
14 October	91.0	100.7	87.2	124.5	90.8	96.4	89.4
15 November ..	91.0	101.0	87.7	129.9	90.9	96.5	89.4
16 December ..	91.0	101.0	87.8	130.6	90.9	96.5	89.4
17 January 1956	91.1	101.1	87.3	125.7	91.0	96.5	89.4
18 February ..	91.3	101.1	86.7	121.0	91.1	96.7	89.4
19 March	90.9	101.1	85.8	122.4	90.7	96.7	89.4
20 April	90.9	100.9	85.6	123.1	90.7	96.7	89.4
21 May	91.1	100.8	85.1	123.8	91.0	96.7	89.4
22 June	91.2	100.5	85.2	125.1	91.1	96.7	89.9
23 July	91.2	100.4	85.3	125.1	91.0	96.8	91.0
24 August	90.9	100.3	85.2	127.4	90.6	96.8	91.0
25 September ..	90.7	100.3	83.8	126.9	90.4	96.8	91.0
26 October	90.4	100.3	82.7	124.9	90.2	96.8	91.0
27 November ..	90.1	100.2	81.9	122.9	89.8	96.7	91.0
28 December ..	89.7	100.1	80.7	117.4	89.5	96.7	90.9
29 January 1957	89.7	99.9	80.4	113.7	89.4	96.6	90.8
30 February ..	89.8	99.0	79.8	113.6	89.6	96.6	90.7
31 March	90.0	99.0	79.8	111.1	89.7	96.5	90.5
32 Percentage Variation of March 1957 over March 1956 ..	-1.0	-2.1	-7.0	-9.2	-1.1	-0.2	+1.2

* Part B States only.

MENT 44

PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

and Statistics of the Reserve Bank of India)

SUB-GROUP INDICES OF DEBENTURES

SUB-GROUP INDICES OF PREFERENCE
SHARES (FIXED DIVIDEND INDUSTRIAL
SECURITIES)

Electricity	Jute	Plantations	Sugar	Coal	General Engineering	Shipping	Others	Electricity	Cotton	Jute	Coal	Iron and Steel	Sugar	Paper	
8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
								77	140	87	107	88	107	93	1
								76	128	81	96	84	92	87	2
								94	85	86	88	93	76	84	3
103	97	100	100	90	101	102	100	98	84	86	91	92	75	87	4
102	99	100	100	91	101	101	101	96	83	88	90	91	80	87	5
102	98	99	99	91	101	101	101	96	80	86	92	90	85	87	6
101	98	99	99	91	101	102	101	90	82	78	84	86	83	81	7
102	99	100	99	91	101	100	101	98	78	86	92	90	84	89	8
102	99	99	99	91	101	100	101	97	79	87	92	90	83	89	9
102	99	99	99	91	101	101	101	96	79	87	92	90	84	89	10
102	99	99	99	91	101	101	101	96	80	87	92	91	84	89	11
102	99	99	99	91	101	101	101	96	80	86	93	91	85	88	12
102	99	99	99	91	101	101	101	96	80	86	93	89	85	86	13
102	98	99	99	91	101	101	101	96	79	87	93	90	85	87	14
102	98	99	99	91	101	102	101	96	80	87	92	90	86	87	15
103	98	99	99	91	101	102	101	95	80	87	91	90	86	87	16
103	98	99	99	91	101	102	101	95	80	87	91	89	86	87	17
103	98	99	98	91	101	102	101	95	80	86	90	88	86	87	18
103	98	99	99	91	101	102	101	94	80	83	90	88	86	85	19
102	98	99	99	91	101	102	101	94	82	83	90	88	85	83	20
102	98	99	99	91	101	102	101	93	81	82	88	88	85	82	21
102	98	99	99	91	101	102	101	91	82	82	86	88	85	82	22
101	98	99	99	91	101	102	101	90	83	82	85	88	84	82	23
101	98	99	99	91	101	102	101	91	85	81	84	89	84	82	24
101	98	99	99	91	101	102	101	91	84	77	83	86	83	82	25
101	98	99	99	91	101	102	101	91	84	76	82	85	83	82	26
101	98	99	99	91	101	102	101	89	83	76	82	84	83	81	27
101	98	99	99	91	101	102	101	87	81	76	83	83	82	80	28
101	98	99	99	91	101	102	101	88	80	76	83	84	82	80	29
99	97	99	99	91	101	102	100	88	81	75	83	82	81	80	30
99	97	99	99	91	101	102	100	88	79	74	82	83	80	80	31

-3.9 -1.0 — — — — — -1.0 -6.4 1.3 10.8 -8.9 -5.7 -7.0 -5.9 32

STATE

			Sub-group Indices of Preference Shares (Fixed Dividend Industrial Securities)-Contd.		SUB-GROUP INDICES OF					
Average of weeks			Plan- tations	Miscella- neous	Banks	Insurance	Invest- ment Trust	Electricity and Tramways	Shipping and other Transport	Railways
			23	24	25	26	27	28	29	30
(Base: 1938=100)										
1	1951-52	.. ..	109		116	112	149	90	99	87
2	1952-53	.. ..	101		103	100	139	83	86	75
(Base : 1949-50=100)										
3	1952-53	.. ..	90		85	98	75	115	88	82
4	1953-54	.. ..	88	85	86	97	75	116	94	82
5	1954-55	.. ..	94	87	87	108	90	123	108	88
6	1955-56	.. ..	100	85	88	103	93	123	106	89
7	1956-57	.. ..	101	79	94	87	90	112	118	84
8	April	1955 ..	98	86	85	107	94	124	99	89
9	May	.. ..	98	86	85	107	89	122	98	89
10	June	.. ..	99	85	85	106	87	122	96	87
11	July	.. ..	98	85	85	108	87	122	98	87
12	August	.. ..	99	85	88	106	91	123	102	89
13	September	.. ..	100	85	87	107	94	124	104	89
14	October	.. ..	100	84	88	107	95	127	115	87
15	November	.. ..	101	85	91	108	98	126	117	89
16	December	.. ..	102	85	94	103	100	123	116	91
17	January	1956 ..	102	85	93	99	97	121	114	92
18	February	.. ..	101	84	89	91	95	119	107	91
19	March	.. ..	102	82	89	88	95	118	111	89
20	April	.. ..	101	81	88	85	94	116	112	89
21	May	.. ..	102	81	90	85	93	114	114	87
22	June	.. ..	102	82	91	88	93	113	119	86
23	July	.. ..	100	82	92	92	91	114	119	85
24	August	.. ..	101	81	96	91	92	114	121	86
25	September	.. ..	102	81	96	89	93	114	121	84
26	October	.. ..	102	79	96	88	96	114	120	85
27	November	.. ..	102	78	95	88	95	112	119	81
28	December	.. ..	101	75	94	87	90	111	116	82
29	January	1957 ..	100	74	95	86	83	109	114	81
30	February	.. ..	100	74	96	85	81	110	117	80
31	March	.. ..	99	75	95	83	79	109	121	78
32	Percentage of March March 1956	Variation 1957 over	-2.9	-8.5	+6.7	-5.7	-16.8	-7.6	+9.0	-12.4

MENT 44—(Contd.)**VARIABLE DIVIDEND INDUSTRIAL SECURITIES**

Plantations	Cotton, Woollen and Silk Mills	Jute Mills	Coal	Mining and Oil	Iron and Steel	General Engineering	Sugar*	Breweries	Chemicals	Paper	Cement	
31	32	33	34	35	36	37	38	39	40	41	42	
177	169	100	126	77	163	172	97	84	176	128	144	1
127	135	78	91	63	131	140	84	60	135	114	141	2
89	94	91	84	120	97	101	85		94	151	113	3
92	96	82	78	132	107	113	85		99	159	116	4
156	107	93	82	186	140	156	101		132	211	141	5
185	118	95	81	235	154	189	105		144	256	164	6
170	134	70	78	233	147	188	105		144	266	176	7
200	104	99	77	189	146	170	99		134	225	148	8
178	104	96	77	183	141	168	97		130	224	147	9
182	105	95	78	193	140	168	97		130	223	146	10
191	110	98	80	218	152	180	100		138	232	155	11
192	114	107	83	237	163	190	104		141	242	162	12
199	115	102	83	247	160	190	105		142	237	162	13
190	121	96	80	249	161	191	108		145	244	170	14
189	129	95	80	272	174	205	111		158	280	180	15
181	131	94	84	271	170	211	112		160	300	185	16
170	127	91	86	259	156	203	109		153	289	176	17
167	123	90	84	246	142	197	106		148	281	167	18
172	129	83	82	256	145	194	108		150	288	173	19
183	131	77	82	260	149	194	105		146	291	175	20
184	132	75	81	263	155	193	105		144	286	179	21
181	134	77	79	263	161	195	105		145	288	182	22
182	138	73	80	254	155	193	107		148	278	180	23
177	144	74	79	253	160	194	108		150	274	185	24
173	143	76	80	245	157	198	109		151	267	189	25
171	138	75	80	242	151	199	109		150	262	183	26
166	136	72	79	232	150	192	108		148	260	181	27
162	132	64	77	208	137	180	105		139	252	173	28
156	128	59	74	199	130	176	101		137	248	169	29
156	126	62	75	196	130	173	100		137	253	160	30
157	124	60	72	185	123	167	100		134	240	155	31
—8.7	—3.9	—27.7	—12.2	—27.7	—15.2	—13.9	—7.4		—10.7	—16.7	—10.4	32

* Sugar and Breweries in the case of the new series.

STATEMENT 45

CONTROL OF CAPITAL ISSUES, 1956

Classification	Applications*		Consents										(Amount in Crores of Rupees)	
	Total		Initial		Others@		Debentures		Miscellaneous (Loans) etc.†		Bonus			
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount		
Industrial	230	213.75	205	192.58	58	65.58	87	72.36	11	9.65	15	38.87	34	6.13
Non-Industrial	132	40.73	92	37.57	11	14.71	26	4.31	1	1.75	16	14.42	38	2.37
(a) Agriculture and Allied Activities ..	38	2.38	26	1.76	1	0.07	4	0.45	..	0.10	..	..	21	1.14
(b) Financial	32	6.27	19	5.27	3	3.06	11	0.45	1	1.00	..	..	4	0.76
(c) Trade & Transport ..	49	28.07	37	26.72	5	10.50	6	1.96	..	..	14	13.92	12	0.34
(d) Miscellaneous	13	4.01	10	3.82	2	1.08	5	1.45	..	0.65	2	0.50	1	0.14
Total for 1956	362	254.49	297	230.15 (90.1)	69	80.29	113	76.67	12	11.40	31	53.28	72	8.50
" " 1955	374	151.42	289	125.39 (22.5)	76	46.90	80	27.48	23	17.33	25	27.22	85	6.47
" " 1954	267	116.98	220	110.57 (64.5)	74	57.94	49	16.49	24	20.29	18	5.96	55	9.88
" " 1953	272	89.79	232	81.39 (30.6)	31	18.34	97	34.42	20	13.92	..	..	84	14.72
" " 1952	326	152.33	254	39.79 (26.1)	23	12.69	121	17.57	9	1.75	..	..	101	7.77
" " 1951	410	68.32	343	59.56 (17.2)	46	21.60	153	23.27	16	3.92	..	..	128	10.77

Note.—Figures in brackets give the percentage of the total amount sanctioned to the total amount applied for.

* Figures relate only to applications disposed of and not to applications received.

@ Include ordinary and preference shares during 1951-56 and miscellaneous (loans) etc. during 1951-53.

† Loans raised by companies by creating a charge or lien on the assets of their property.

Source : Office of the Controller of Capital Issues.

STATEMENT 46**CAPITAL ISSUES SANCTIONED, SUBSCRIBED AND PAID-UP
DURING 1950-56**

(Amount in Crores of Rupees)

Year	Type of Issue	Companies granted consents		Companies which sent reports about the amount subscribed and paid-up			
		Number of consents	Total Amount sanctioned	Number of consents	Amount sanctioned	Amount subscribed	Amount paid-up
1950	(i) New Shares*	.. 142	50.84	104	39.64	29.53	24.21
	(ii) Bonus Issues	.. 95	8.54	90	8.25	8.19	8.19
	(iii) Debentures	.. 26	18.01	20	14.72	14.26	14.26
1951	(i) New Shares*	.. 191	44.06	147	28.01	20.46	18.85
	(ii) Bonus Issues	.. 127	10.68	122	10.01	9.99	9.99
	(iii) Debentures	.. 17	4.12	13	3.55	3.14	3.14
1952	(i) New Shares*	.. 140	29.16	104	20.92	18.08	17.67
	(ii) Bonus Issues	.. 101	7.77	95	7.62	7.17	7.17
	(iii) Debentures	.. 9	1.74	5	1.04	0.95	0.95
1953	(i) New Shares*	.. 106	51.07	78	40.77	35.19	32.10
	(ii) Bonus Issues	.. 84	14.72	76	14.07	14.07	14.07
	(iii) Debentures	.. 20	11.82	14	9.72	6.13	6.13
1954	(i) New Shares*	.. 123	74.43	81	54.75	51.39	40.10
	(ii) Bonus Issues	.. 55	9.87	52	9.64	9.38	9.38
	(iii) Debentures	.. 24	20.29	14	17.57	16.66	16.66
1955	(i) New Shares*	.. 156	74.38	112	43.85	30.68	25.54
	(ii) Bonus Issues	.. 85	6.47	58	4.09	4.07	4.07
	(iii) Debentures	.. 22	17.33	10	8.54	7.06	7.06
1956	(i) New Shares*	.. 182	156.97	48	24.79	20.43	11.93
	(ii) Bonus Issues	.. 72	8.50	39	3.45	3.22	3.22
	(iii) Debentures	.. 12	11.40	2	0.60	0.45	0.45
Total—1950-56							
	(i) New Shares*	.. 1040	480.90	674	252.73	205.77	170.39
	(ii) Bonus Issues	.. 619	66.55	532	57.14	56.11	56.11
	(iii) Debentures	.. 130	84.70	78	55.74	48.65	48.65

Note.—Figures relating to the amounts subscribed and paid-up relate to the year in which the consents were granted, irrespective of the year in which the amounts were raised.

*Ordinary and preference shares issued for cash.

Source.—Office of the Controller of Capital Issues.

STATEMENT 47

ASSETS AND LIABILITIES OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

	Liabilities						Assets							(Lakhs of Rupees)
	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57		
1. Capital Issued and Paid-up ..	5,00.00	5,00.00	5,00.00	5,00.00	5,00.00	5,00.00	1. Cash in hand and with Bankers ..	55.08	25.60	5.45	23.47	1.70	9.37	
2. Reserve Fund (a) Special Reserve Fund under Sec. 32-A (1) of the I.F.C. Act	—	—	—	9.12	13.68	18.24	2. Investments in Government Securities ..	3,58.27	2,00.38	2,00.38	—	—	—	
(b) Other Reserves	2.00	3.00	10.06	5.50	5.50	5.50	3. Loans and Advances...	6,55.42	8,61.67	11,19.58	12,78.18	14,01.20	20,69.68	
3. Reserve for Doubtful Debts..	—	—	—	5.00	20.00	42.50	4. Other Assets	54.17	56.37	58.90	60.43	67.32	96.08	
4. Provision for Taxation ..	—	—	18.01	9.80	9.53	19.71								
5. Bonds and Debentures ..	5,80.50	5,80.50	7,80.50	7,80.50	7,80.50	7,80.50								
6. Borrowings from Reserve Bank of India ..	—	—	29.50*	—	61.25½	1,06.50 ½								
7. Borrowings from Government † ..	—	—	—	—	—	6,00.00								
8. Other Liabilities..	40.44	60.52	46.24	52.15	79.75	1,02.17								
Total ..	11,22.94	11,44.02	13,84.31	13,62.08	14,70.21	21,75.13	Total ..	11,22.94	11,44.02	13,84.31	13,62.08	14,70.21	21,75.13	

Note.—The accounting year of the Corporation is from July 1 to June 30; however, the figures given here are as on the last Friday of March.

* Under Section 21 (3) (a) of the Industrial Finance Corporation Act, 1948 (as amended).

† Under Section 21 (3) (b) of the Industrial Finance Corporation Act, 1948 (as amended).

Source : Industrial Finance Corporation of India.

STATEMENT 48

OPERATIONS OF STATE FINANCIAL CORPORATIONS

Corpora- tion*	Capital as at the end of March 1957	Loans sanctioned† during						Loans disbursed during						Loans outstanding as at the end of March			Assets as at the end of March 1957 (Lakhs of Rupees)	
		1953-54		1954-55		1955-56		1956-57		1953-54		1954-55		1955-56		1956-57		
		1953-54	1954-55	1954-55	1955-56	1955-56	1956-57	1953-54	1954-55	1954-55	1955-56	1955-56	1956-57	1953-54	1954-55	1955-56		1956-57
1. Madras@..	1,28	41	13	83	49	24	17	33	77	94	1,04	1,27	1,96	41	2,37			
2. Punjab ..	1,00	29	21	40	26	9	15	19	22	9	22	39	57	54	1,11			
3. Bombay ..	2,00	—	68	80	72	—	30	33	72	—	30	60	1,47	64	2,11			
4. Kerala** ..	1,00	—	37	43	34	—	34	28	25	—	34	62	84	—	1,09			
5. West Bengal	1,00	—	14	29	72	—	9	14	20	—	10	23	35	75	1,10			
6. Assam ..	1,00	—	3	54	15	—	—	26	16	—	—	26	39	68	1,08			
7. Rajasthan..	1,00	—	—	7	23	—	2	7	—	—	—	2	9	96	1,05			
8. Madhya Pradesh††.	1,00	—	—	5	13	—	—	—	5	—	—	—	5	97	1,03			
9. Uttar Pradesh ..	1,00	—	—	21	46	—	4	15	—	—	—	4	18	86	1,04			
10. Bihar ..	50	—	—	11	48	—	4	20	—	—	—	4	24	29	53			
11. Andhra Pradesh ..	1,50	—	—	—	45	—	—	7	—	—	—	8‡	30	1,31	1,61			
Saurashtra†††	—	—	15	28	—	—	6	18	—	—	6	24	—	—	—			
Hyderabad§	—	—	39	5	—	—	20	6	—	—	20	23	—	—	—			
Total ..	12,28	70	2,11	4,05	4,43	33	1,32	1,87	2,86	1,03	2,26	4,03	6,45	7,66	14,11			

Note.— In terms of the States Reorganisation Act, effective November 1, 1956, the Bombay and Saurashtra Financial Corporations were amalgamated to form the Bombay State Financial Corporation, and the Andhra and Hyderabad State Financial Corporations were amalgamated to form the Andhra Pradesh State Financial Corporation. Figures for 1956-57 in respect of Bombay and Andhra Pradesh relate to the amalgamated Corporations, while, for earlier years, separate data for Bombay and Saurashtra and Andhra and Hyderabad have been given.

* The Orissa State Financial Corporation has issued capital to the extent of Rs. 50 lakhs, but has not so far commenced operations.

† Includes, in respect of some Corporations, loans subsequently declined by industrial concerns or cancelled or reduced by the Corporation.

@ The Madras Industrial Investment Corporation Ltd. was registered under the Indian Companies Act in 1949.

** Called the Travancore-Cochin Financial Corporation prior to November 1, 1956.

†† Called the Madhya Bharat Financial Corporation prior to November 1, 1956.

‡ Loans transferred from the Madras Industrial Investment Corporation Ltd.

‡‡ The Corporation also subscribed to debentures to the extent of Rs. 3.75 lakhs during 1955-56.

§ The Corporation also subscribed to the 7 per cent first mortgage debentures of a cotton mill for Rs. 10 lakhs, of which Rs. 7 lakhs were subscribed during 1954-55 and Rs. 3 lakhs during 1955-56.

STATEMENT 49

PRICES OF GOLD AND SOVEREIGNS IN BOMBAY (ANNUAL AND MONTHLY)

	Gold (per fine tola)					Sovereigns					Estimated Floating Stocks of Gold in Bombay (d) (Tolas)
	SPOT		FORWARD (a)			SPOT					
	Highest Rs.	Lowest Rs.	Average (b) Rs.	Highest Rs.	Lowest Rs.	Average (b) Rs.	Highest (c) Rs.	Lowest (c) Rs.	Average (b) Rs.		
1951-52	..	118.62	79.50	118.44	95.00	110.93	80.00	61.00	76.16	69,173	
1952-53	..	95.87	77.31	93.37	76.87	86.79	66.25	55.00	61.28	38,327	
1953-54	..	93.37	79.50	91.44	79.06	85.53	59.25	55.50	57.35	25,942	
1954-55	..	95.37	83.00	94.44	81.69	88.45	61.62	56.75	58.47	29,673	
1955-56	..	107.06	89.41	106.94	86.12	94.30	66.75	59.00	61.29	22,528	
1956-57	..	109.62	98.94	109.00	97.94	104.06	70.00	65.75	67.58	24,577	
April 1956	..	107.00	103.12	106.72	103.25	105.42	66.50	65.50	66.16	27,000	
May "	..	106.81	99.94	106.00	97.94	102.12	66.50	66.00	66.30	17,250	
June "	..	104.19	100.87	102.53	99.37	100.70	67.25	66.25	66.98	16,800	
July "	..	103.50	98.94	102.97	98.81	100.42	67.12	66.37	66.60	19,750	
August "	..	105.31	102.41	103.72	102.34	103.62	67.50	67.00	67.07	26,600	
September "	..	103.87	102.37	103.75	102.19	102.96	67.25	67.00	67.08	26,750	
October "	..	105.81	102.66	105.50	102.84	103.55	68.75	66.50	66.97	21,500	
November "	..	106.56	103.69	106.31	103.78	105.21	70.00	68.00	68.93	31,000	
December "	..	105.69	103.41	105.87	103.53	105.15	69.00	67.75	68.22	30,250	
January 1957	..	108.91	103.84	106.39	103.91	106.16	68.25	67.62	67.94	30,000	
February "	..	109.62	105.31	109.00	105.37	108.01	70.00	68.00	69.39	22,250	
March "	..	106.62	104.37	106.69	104.44	105.60	69.50	68.75	69.25	25,400	

Note.—Import duty per tola is Rs. 13.12 (inclusive of a surcharge of 5 percent.)
(a) Month.

Note.—Import duty per tola is Rs. 13.12 (inclusive of a surcharge of 5 percent).

(a) Monthly settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account.

(b) Average of closing quotations on working days.

(c) Figures relate to closing prices on working days.

(d) Average of week-end stocks.

STATEMENT 50

PRICES* OF SILVER IN BOMBAY (ANNUAL AND MONTHLY)

(Per 100 tolas)

		<div><div>Spot</div><div>Forward (a)</div></div>						Estimated Floating Stocks in Bombay (b) (in bars of 2,800 tolas)	
		Highest Rs.	Lowest Rs.	Average (c) Rs.	Highest Rs.	Lowest Rs.	Average (c) Rs.		
1951-5	..	207.25	142.00	188.27	207.00	176.25	192.26	4,456	
1952-53	..	174.75	141.75	159.52	171.87	140.62	157.41	2,127	
1953-54	..	167.87	148.87	157.30	169.50	147.37	157.01	2,106	
		169.12	149.87	159.84					
1954-55	..	173.87	147.94	159.23	174.25	148.44	159.08	2,175	
1955-56	..	183.81	154.75	168.72	184.44	149.62	166.73	975	
1956-57	..	187.37	168.69	175.63	186.87	166.25	175.26	1,372	
April	1956	..	183.56	177.56	180.42	183.06	177.81	180.45	875
May	..	..	183.75	170.87	177.24	183.12	166.25	172.77	438
June	..	..	173.69	168.69	170.51	173.75	167.12	169.92	720
July	..	..	174.31	170.31	172.12	174.19	168.75	171.82	1,625
August	..	..	173.62	170.31	172.04	173.75	170.31	172.33	2,240
September	..	..	174.94	171.87	173.16	176.00	171.94	173.54	2,125
October	..	..	174.19	170.44	172.53	174.62	170.81	172.89	1,675
November	..	..	175.94	171.81	173.76	176.56	171.75	174.08	1,500
December	..	..	174.81	172.87	173.73	175.75	172.87	174.33	1,775
January	1957	..	185.69	174.44	180.53	184.94	174.81	179.85	1,575
February	..	..	187.37	178.75	184.48	186.87	178.12	184.16	950
March	..	..	180.37	174.56	177.72	180.94	175.25	178.04	980

Note.— Import duty per 100 tolas (inclusive of a surcharge of 5 per cent) was Rs. 9.84 upto May 2, 1956 and Rs. 19.69 thereafter.

* Spot quotations for silver relate to .999 fineness upto December 13, 1953 and thereafter to .9900—.9959 fineness.

(a) Monthly settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account.

(b) Average of week-end stocks.

(c) Average of closing quotations on working days.

STATEMENT 51

PRICES (WEEKLY) OF GOLD AND SILVER AND ESTIMATED STOCKS IN BOMBAY, 1956-57

1956-57	As at the close of	Gold				Silver*			
		Spot	Forward†	Premium(+) or Discount (-) of Spot over Forward	Estimated Floating Stocks (Tolas)	Spot	Forward†	Premium(+) or Discount (-) of Spot over Forward	Estimated Floating Stocks (In bars of 2,800 tolas)
		(Per fine tola)				(Per 100 tolas)			
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1956	April 6	103.56	103.69	-0.13	30,000	178.00	178.25	-0.25	1,000
	" 13	105.25	105.31	-0.06	26,000	180.12	180.25	-0.13	900
	" 20	105.31	105.19	+0.12	27,000	179.37	179.06	-0.31	900
	" 27	106.00	105.44	-0.56	25,000	181.19	180.81	-0.38	700
	May 4	106.19	104.81	+1.38	15,000	180.56	177.31	-3.25	500
	" 11	105.41	103.66	-1.75	21,000	180.75	176.25	-4.50	300
	" 18	104.31	103.06	-1.25	15,000	177.50	173.87	-3.63	250
	" 25	100.81	98.69	-2.12	18,000	171.06	171.19	-0.13	700
	June 1	103.31	100.56	+2.75	15,000	170.25	167.75	+2.50	600
	" 8	102.44	100.94	+1.50	16,000	169.94	169.31	-0.63	600
	" 15	102.44	101.06	+1.38	18,000	169.25	168.75	-0.50	500
	" 22	101.59	101.19	+0.40	20,000	169.56	169.81	-0.25	900
	July 29	100.87	99.75	+1.12	15,000	171.62	172.25	-0.63	1,000
	" 6	99.25	99.12	+0.13	15,000	171.69	172.25	-0.56	1,100
	" 13	101.06	100.94	+0.12	21,000	173.50	173.62	-0.12	1,100
	" 20	101.81	101.62	+0.19	21,000	172.06	171.94	+0.12	1,700
	" 27	102.59	101.41	+1.18	22,000	171.81	170.69	-1.12	2,600
	August 3	103.75	103.19	+0.56	21,000	170.94	170.94	—	2,400
	" 10	103.75	103.69	-0.06	22,000	173.00	173.06	-0.06	2,200
	" 17	104.00	103.87	+0.13	30,000	172.06	172.00	+0.06	2,200
	" 24	103.50	103.50	—	30,000	172.06	172.44	-0.38	2,300
	" 31	102.47	102.47	—	30,000	171.06	171.50	-0.44	2,200

September	7	102.62	102.62	—	28,000	174.50	174.87	-0.37	2,300
"	14	103.06	102.87	-0.19	25,000	172.44	172.44	—	2,300
"	21	103.12	103.00	+0.12	28,000	172.69	172.50	+0.19	2,000
"	28	103.69	103.69	—	26,000	173.94	174.37	-0.43	1,900
October	5	103.31	103.37	-0.06	25,000	173.81	174.19	-0.38	1,900
"	12	104.31	103.87	+0.44	20,000	172.81	172.75	+0.06	1,500
"	19	103.69	103.50	+0.19	25,000	173.31	172.69	-0.62	1,700
"	26	103.87	103.81	+0.06	16,000	172.37	172.81	-0.44	1,600
November	2	106.19	105.81	+0.38	28,000	173.87	174.12	-0.25	1,500
"	9	104.06	104.19	-0.13	40,000	172.06	172.31	-0.25	1,500
"	16	105.41	105.25	-0.16	21,000	173.87	173.69	-0.18	1,600
"	23	105.25	105.56	-0.31	26,000	174.37	175.12	-0.75	1,100
"	30	105.12	105.44	-0.31	40,000	173.94	174.81	-0.87	1,800
December	7	105.19	105.25	-0.06	36,000	174.06	174.56	-0.50	1,700
"	14	105.37	105.16	+0.21	30,000	173.37	173.31	+0.06	1,800
"	21	104.81	105.06	-0.25	27,000	174.56	175.31	-0.75	2,000
"	28	103.59	103.72	-0.13	28,000	173.12	173.75	-0.63	1,600
1957									
January	4	104.09	104.22	-0.13	30,000	174.75	175.00	-0.25	1,800
"	11	105.72	105.62	-0.10	30,000	179.75	179.56	+0.19	1,400
"	18	106.94	107.12	-0.18	30,000	181.31	181.50	-0.19	1,800
"	25	107.56	107.75	-0.19	30,000	183.56	183.00	-0.56	1,300
February	1	108.25	108.31	-0.06	23,000	185.31	184.56	+0.75	1,100
"	8	108.56	108.28	+0.28	21,000	185.25	184.87	+0.38	900
"	15	109.44	108.69	+0.75	20,000	186.12	185.12	+1.00	900
"	22	107.87	107.56	+0.31	25,000	182.87	182.12	+0.75	900
March	1	104.56	104.62	-0.06	25,000	177.44	176.94	-0.50	700
"	8	105.31	105.31	—	24,000	176.81	177.12	-0.31	1,100
"	15	105.44	105.06	+0.38	25,000	178.37	178.44	-0.07	1,200
"	22	104.56	104.75	-0.19	26,000	174.81	175.44	-0.63	1,000
"	29	105.81	105.87	-0.06	27,000	179.50	180.06	-0.56	900

* Spot quotations for silver relate to .9900—.9959 fineness.

† Monthly settlements. When two or three settlements run during one week, the quotation for the first settlement only is shown.

STATEMENT 52
ASSAYING AND REFINING OF GOLD AND SILVER
AT THE INDIA GOVERNMENT MINTS
(Thousands of Tolas)

				Melting and Assaying at			Refining* at Bombay
				Bombay	Alipore	Total	
GOLD							
1951-52	..	..	..	20	40†	60	27,43
1952-53	..	..	..	2	26	28	24,11
1953-54	..	..	..	6	74	80	17,21
1954-55	..	..	..	18	57	75	13,39
1955-56	..	..	..	10	10	20	10,42
1956-57	..	..	..	5	6	11	10,77
SILVER							
1951-52	..	..	..	1,21	62,98†	64,19	44,46
1952-53	..	..	..	40	62,15	62,55	28,92
1953-54	..	..	..	25	72,82	73,07	13,41
1954-55	..	..	..	41	73,26	73,67	8,19
1955-56	..	..	..	3	45,35	45,38	17
1956-57	..	..	..	7	144,11	144,18	12

* The Calcutta and Alipore Mints did not undertake any refining work.

† Includes figures in respect of the Calcutta Mint.

STATEMENT 53
QUANTITY AND VALUE OF IMPORTS AND EXPORTS OF GOLD
AND SILVER

				IMPORTS		EXPORTS(a)		NET IMPORTS(+) OR EXPORTS(-)	
				Quantity in thousands of ounces	Value in lakhs of rupees	Quantity in thousands of ounces	Value in lakhs of rupees	Quantity in thousands of ounces	Value in lakhs of rupees
GOLD									
1951-52	..	40	1,16	—	—	40	1,15		
1952-53	..	1	2	—	—	1	2		
1953-54	..	1	2	—	—	1	2		
1954-55	..	3	7	1	2	2	4		
1955-56	..	4	10	—	1	4	10		
1956-57*	..	6	16	—	1	5	15		
SILVER(b)									
1951-52	..	1,67	9	—	—	1,66	9		
1952-53	..	1,28	5	—	—	1,28	5		
1953-54	..	1,42	6	1	—	1,41	6		
1954-55	..	—	—	—	—	—	—		
1955-56	..	9	—	5	—	4	—		
1956-57*	..	11	—	—	—	11	—		

Note.—The import and export of gold and export of silver remain prohibited except with the general or special permission of the Reserve Bank. However, the import from Tibet of silver coins current in the Tibetan Region of China are being licensed freely from May 3, 1956, with a view to facilitating Indo-Tibetan Trade. This Statement does not include these figures.

(a) Including re-exports. (b) Government of India rupee and half rupee coins are shown at face value. * Partial; figures up to December 1956 only.

Source: Accounts relating to Foreign trade and Navigation of India.

STATEMENT 54

BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

		(Crores of Rupees)					
		1956-57		1957-58			
		Budget	Revised	(Budget)	(Budget)		
I. REVENUE ACCOUNT							
A. 1. Revenue	.. ..	515.36	515.36	415.98	456.13	504.32	2,326.90
2. Tax Revenue	.. ..	459.99	387.06	303.28	399.26	428.04	2,037.63
3. (2) as percentage of (1)	.. ..	89.3	89.0	87.3	87.3	87.6	87.6
4. Non-Tax Revenue	.. ..	55.37	48.05	52.70	56.87	76.28	289.27
B. 1. Expenditure	.. ..	387.27	396.18	407.48	422.62	463.87	2,077.42
2. Defence (Net)	.. ..	170.96	179.52	186.30	186.66	172.23	895.67
3. (2) as percentage of (1)	.. ..	44.1	47.1	47.7	47.7	47.7	47.7
4. Civil Expenditure	.. ..	216.31	216.66	221.18	235.96	291.64	1,181.75
C. Surplus (-) or Deficit (-)	.. ..	128.09	38.93	8.50	-33.51	40.45	-249.48
II. CAPITAL ACCOUNT							
A. Receipts		53.94	29.95	117.36	314.23	308.33	823.81
1. Permanent Debt (Net)	.. ..	23.36	27.76	---	109.90	34.51	195.53
2. Other Debt (Net)	.. ..	30.58	2.19	117.36	204.33	273.82	628.28
B. Disbursements		178.33	124.19	187.20	366.43	374.92	1,231.07
1. Capital Outlay outside the Revenue Account (Net)	.. ..	118.17	38.80	24.18	167.41	127.36	475.92
2. Redemption of Permanent Debt (Net)	.. ..	60.16	85.39	124.47	199.02	247.56	716.60
3. Loans and Advances (Net) (c)	.. ..	---	---	---	---	---	38.55
C. Surplus (-) or Deficit (-) (d)	.. ..	-124.39	-94.24	-69.84	-52.20	-66.59	-407.26
III. MISCELLANEOUS (Net)	.. ..	-2.79	8.23	0.05	13.21	-10.35	8.11
IV. Net Increase (-) or Decrease (-)		6.91	-63.54	-61.29	-5.48	-36.49	-166.04
Opening Balance	.. ..	161.78	162.68	99.14	37.49	32.23	161.78
Closing Balance	.. ..	162.69	99.14	37.85	32.01	-4.26	-4.26

Note:—Accounts are provisional. Budget Estimates for 1957-58 relate to those presented to the Lok Sabha.

(a) Effect of budget proposals. Figures for 1957-58 do not take into account tax changes announced subsequently which would reduce the revenue and the surplus by Rs. 5.05 crores.

(b) Including effect of budget proposals. (c) Includes the sale proceeds of American (Loan) Wheat transferred to the Special Development Fund from 1951-52 onwards. (d) Surplus or deficit under capital account is only formal as receipts from Treasury bills have not been excluded.

STATEMENT 55 **REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA** **(ON REVENUE ACCOUNT)**

	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 (Accounts)	1955-56 (Accounts)	1956-57		1957-58 (Budget)
						Budget	Revised	
REVENUE								
(1) Taxes on Income (<i>i + ii</i>)	134.74	128.25	107.09	103.64	113.23	134.59	130.85	136.46 + 7.00 (a)
(i) Taxes on Income other than Corporation Tax	146.19	141.43	122.84	122.26	131.36	141.36	141.36	147.10 + 5.75 (a)
Less : States' Share	52.86	56.98	57.29	55.95	55.16	55.01	58.75	61.14 + 3.00 (a)
Net Receipts	93.33	84.45	65.55	66.31	76.19	86.35	82.61	85.96 + 2.75 (a)
(ii) Corporation Tax	41.41	43.80	41.54	37.33	37.04	48.24	48.24	50.50 + 4.25 (a)
(2) Taxes on Commodities and Services (<i>i + ii + iii + iv</i>)	320.44	257.05	253.93	293.31	312.26	320.63	361.28	375.37 + 55.00 (a)
(i) Customs : Imports	141.59	118.07	119.60	141.06	127.98	118.00	138.50	128.10 + 6.00 (a)
Exports	90.74	55.97	38.53	41.37	37.76	30.70	27.70	28.70
Other Revenue	4.76	4.59	3.55	4.76	4.22	4.10	6.80	7.20
Less : Refunds	-5.40b	-4.88	-2.97	-2.33	-3.26	-2.80	-2.00	-2.00
Net Receipts	231.69	173.75	158.71	184.86	166.70	150.00	171.00	162.00 + 6.00 (a)
(ii) Union Excise Duties	85.78	83.03	94.98	108.22	145.25	170.35	189.73	209.43 + 49.00 (a)
(iii) Taxes on Railway fares and freight Less : State's Share	—	—	—	—	—	—	—	8.00 (a)
(iv) Other Taxes and Duties	2.97	0.27	0.24	0.23	0.31	0.28	1.55	3.94
(3) Taxes on Property and Capital Transactions (<i>i + ii + iii + iv</i>) ..	4.81	1.76	2.26	2.31	2.55	2.31	2.63	3.17 + 15.00 (a)
(i) Estate Duty	—	—	—	0.81	1.81	2.50	2.52	2.52
Less : States' Share	—	—	—	0.57	1.86	2.32	2.41	2.43
Net Receipts	—	—	—	0.24	-0.05	0.18	0.11	0.09
(ii) Taxes on Wealth	—	—	—	—	—	—	—	15.00 (a)
(iii) Stamps and Registration	1.93	1.33	1.50	1.62	1.72	1.67	2.01	2.50
(iv) Land Revenue	2.88	0.43	0.76	0.45	0.88	0.46	0.51	0.58
(4) Total Tax Revenue (<i>1 + 2 + 3</i>) ..	459.99	387.06	363.28	399.26	428.04	457.53	494.76	515.00 + 77.00 (a)
(5) Administrative Receipts	14.35	13.10	12.09	12.96	17.08	13.46	18.17	46.13
(6) Net Contributions of Public Undertakings	20.98	16.61	21.63	26.92	28.92	25.80	30.17	38.26 + 0.85 (a)
(i) Railways	6.93	7.11	6.95	6.68	5.80	6.57	6.03	6.67

(ii) Posts and Telegraphs	..	3.43	1.87	2.40	2.60	3.47	1.60	5.30	3.09 + 0.85 (a)
(iii) Currency and Mint (Profits of the Reserve Bank of India)	..	8.79	7.21	13.14	17.42	19.75	19.90	19.46	29.30
(iv) Others (c)	..	(8.34)	(7.50)	(12.50)	(17.50)	(20.00)	(20.00)	(20.00)	(30.00)
	..	1.83	0.42	-0.86	0.22	-0.10	-2.27	-0.62	-0.80
(7) Other Revenue	..	14.17	12.83	12.80	10.72	23.72	21.42	18.74	23.18
(8) Total Revenue (4 + 5 + 6 + 7)	..	509.49	429.60	409.80	449.86	497.76	518.21	561.84	622.57 + 77.85 (a)
EXPENDITURE									
(9) Direct Demands on Revenue (d).... (Of which States' Share of Union Excise Duties)	..	12.87	27.84	26.24	26.44	29.08	31.73	33.29	36.12
	..	—	(16.83)	(15.55)	(15.11)	(16.57)	(17.04)	(18.22)	(19.17)(m)
(10) Civil Administration (e)	..	24.10	23.30	26.74	20.63	33.57	38.39	39.31	43.29
(11) Defence Services (Net)	..	170.96	179.52	186.30	186.66	172.23	203.97	202.95	252.71
(12) Debt Services (f)	..	39.00	36.50	40.82	39.72	43.14	35.50	38.21	35.00
(13) Pensions and Superannuation	..	8.55	7.84	8.60	8.87	8.97	8.83	8.98	9.18
(14) Extra-ordinary Charges (g)	..	6.78	7.63	10.41	13.80	—	—	—	10.00
(15) Miscellaneous (h)	..	54.78	38.25	20.71	18.68	48.82	49.39	48.28	63.85
(16) Development Services (i)	..	42.49	41.72	51.53	58.17	82.41	127.10	120.09	176.90
(17) Contributions and Miscellaneous adjustments between Union and State Governments (j)	..	17.31	22.80	25.91	29.79	35.87	38.00	29.60	25.23
(18) Other Expenditure (k)	..	4.56	5.27	4.04	3.59	3.22	3.34	3.19	3.41
(19) Total Expenditure	..	381.40	390.67	401.30	416.35	457.31	536.25	523.90	665.69
Surplus (+) or Deficit (—)	..	+ 128.09	- 35.93	- 5.50	- 32.51	- 40.45	- 15.04	+ 37.94	+ 44.73 (l)

Note.—The figures of total revenue and expenditure as given in this Statement differ from those appearing in the Budget papers and from Statement 54 as receipts from forests, opium and currency and mint are shown on a net basis. Accounts are provisional. Budget estimates for 1957-58 relate to those presented to the Lok Sabha. Revenue and expenditure estimates for 1957-58 include Rs. 28 crores on account of Steel Equalisation Fund and Rs. 10 crores representing the element of grant in the assistance from the U.S.A.

(a) Effect of budget proposals. (b) Includes payment of Rs. 0.91 crore to Travancore-Cochin. (c) Includes forests, opium, irrigation, electricity and road and water transport schemes. (d) Excludes forest and opium. (e) Comprises General Administration, Audit, Administration of Justice, Jails, Police, Tribal Areas and External Affairs. (f) Include appropriation for reduction or avoidance of debt. (g) Include provision for grants to States for G. M. F. Scheme, relief in natural calamities, etc. From 1954-55, these items are transferred to miscellaneous expenditure under appropriate ministries. (h) Comprises grants to educational institutions and certain items of developmental expenditure. (i) Comprise irrigation and multi-purpose river schemes, ports and pilotage, lighthouses and lightships, scientific departments, education, medical, public health, agriculture, rural development, veterinary, co-operation, industries and supplies, aviation, broad-casting, civil works, post-war reconstruction and electricity schemes, community development projects, national extension service and miscellaneous departments. (j) Include grants-in-aid to States. (k) Comprises famine, stationery and printing, civil defence and pre-nation payments. (l) Taking into account the effect of budget proposals. Subsequently some tax changes were announced which would reduce the revenue and the surplus by Rs. 5.05 crores. (m) Pending the passing of the Finance Bill, the effect of the budget proposals in regard to Union excise duties has been taken at the net figure on the receipts side, i.e., as reduced by the States' share. After the Bill is passed necessary supplementary appropriation will be obtained to make payment of the States' share as an item of expenditure as usual.

STATEMENT 56

CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

RECEIPTS									(Crores of Rupees)	
									1957-58 (Budget)	
									1956-57 (Revised)	
									(Budget)	
Loans—	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 (Accounts)	1955-56 (Accounts)					
Internal††					
External					
Inter-State Debt Settlement					
Treasury Bills*					
Treasury Deposit Receipts*					
Small Savings*					
Other Unfunded Debt*					
Railway Funds*					
Other Reserve Funds*					
Appropriation for Reduction or Avoidance of Debt					
E. P. T. and Income-Tax Deposits*					
Repayment of Loans by States					
Special Development Fund**					
Contingency Fund					
Other Items* @					
Total Receipts					

State Trading Schemes	..	..	..	12.63	-18.43	-25.44	63.47	-29.59	9.51	29.95	49.35
Currency, Mint and Security Printing Press	..	..	..	0.25	0.12	0.36	0.37	8.76	1.21	1.42	0.83
Others @	..	..	..	46.99	26.59	—	11.73	3.67	26.27	21.18	115.20
Total—Non-Developmental	..	..	..	63.43	7.33	-22.00	77.01	-8.58	54.28	64.59	179.76
Developmental:											
Railways	..	..	..	23.21	7.05	11.85	32.25	67.52	113.43	103.81	124.17
Posts and Telegraphs	..	..	..	4.96	6.53	7.66	9.33	9.03	9.75	9.85	9.85
Civil Aviation	..	..	..	1.51	0.88	1.37	3.28	1.95	3.37	3.18	2.88
Irrigation and Multi-purpose River Schemes	..	..	..	3.97	4.10	4.26	3.59	2.98	2.55	2.57	3.89
Civil Works	..	..	..	11.37	11.27	13.38	17.14	24.55	28.30	25.97	22.26
Industrial Development	..	..	..	8.34	0.40	5.07	13.37	11.07	79.60	79.91	185.92
Other Heads +	..	..	..	1.39	1.56	2.59	11.44	18.84	25.46	23.80	21.84
Total—Developmental	..	..	..	54.75	31.79	46.18	90.40	135.94	262.46	249.09	370.81
Total Capital Outlay	..	..	..	118.18	39.12	24.18	167.41	127.36	316.74	313.68	550.57
Discharge of Permanent Debt—											
Internal	..	..	..	84.59	0.97	112.51	46.15	69.04	0.57	80.05	31.75
External	..	..	..	3.35	4.92	2.88	3.28	3.22	3.88	3.69	6.89
Inter-State Debt Settlement	..	..	..	—	—	—	1.10	0.68	0.06	3.07	1.45
Advances to States	..	..	..	60.77	91.97	125.94	195.29	241.24	278.06	236.32	247.91
Advances to States from Special Development Fund	..	..	..	14.94	19.82	28.71	25.39	5.47	5.00	4.47	1.45
Other Loans and Advances*	..	..	..	11.60	7.21	13.64	23.22	23.91	81.21	32.65	55.40
Total Disbursements	..	..	..	293.43	164.01	307.86	461.84	470.92	685.52	693.93	895.42
Surplus (-) or Deficit (+)	..	..	..	-124.39	-64.24	-69.84	-52.20	-66.59	+18.27	-18.64	-42.78

Note.—(1) Figures of receipts and disbursements given in this statement do not tally with those given in the budget papers and Statement 54 as certain adjustments have been made here and (2) Receipts and disbursements for 1957-58 include a formal adjusting item of Rs. 95 crores in respect of loan assistance from the U.S. Government which is transferred to Special Development Fund by debit to capital. *Figures are net. \$This figure is likely to go up by Rs. 5 crores due to subsequent modifications in the tax proposals. +Excluding 15 year annuity certificates which are included under Small Savings. ** Receipts comprise the sale proceeds of (1) American (Loan) Wheat, (2) Wheat received under the Colombo Plan and (3) Assistance under (a) the Colombo Plan and (b) Indo-U.S. Technical Co-operation Agreement and other Aid. @ Residual item. + Inclusive of the credit (Rs. 40 crores) shown in the Cash Balance Investment Account on account of the 3 per cent Loan 1953-55 which matured during 1953-54. @ Others include Contingency Fund, transfer of the state proceeds of American (Loan) Wheat and payments to displaced persons. + + + Include Ports, Grants to States for development purposes, etc.

STATEMENT 57

CONSOLIDATED BUDGETARY POSITION OF STATES

	1951-52	1952-53	1953-54	1954-55	1955-56 (Revised)	1956-57 (Budget)
(Crores of Rupees)						
I Revenue Account						
Revenue	405.41	420.15	453.66	500.26	560.13	576.98
Expenditure	392.68	417.03	448.20	511.82	626.43	654.39
Surplus (+) or Deficit (—)	+ 12.73	+ 2.12	+ 5.46	+ 11.56	+ 66.30	+ 77.41
II Capital Account						
Receipts	163.59	166.34	173.67	234.92	385.80	469.67
Disbursements	188.72	150.45	176.30	212.50	369.75	454.06
Surplus (+) or Deficit (—)	— 25.13	+ 15.89	— 2.63	+ 22.42	+ 16.05	+ 15.61
III Miscellaneous (net)	+ 1.61	— 8.40	— 4.91	+ 2.96	— 0.76	+ 0.88
IV Increase (+) or decrease (—) in cash balances@	— 10.79	+ 10.61	— 2.08	— 13.82	— 51.61	— 60.92
Opening balance	61.48	50.69	49.33	78.24	92.06	41.04
Closing balance	50.69	61.30	47.25	92.06	41.05	+ 19.88

Note.—The figures for the years 1951-52 to 1953-54 do not include Part C States (*viz.*: Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56 and 1956-57 revised and budget estimates respectively are used since later figures are not available. For 1953-54, budget estimates of the composite State of Madras have been used and hence the opening and closing balances for the year do not tally with the closing balance for 1952-53 and the opening balance for 1954-55. Budget estimates for 1956-57 are before tax changes. Figures for 1957-58 are not given as the budgets for all the States are not available.
@ Including overdraft.

STATEMENT 58

CAPITAL BUDGET OF STATES

		1951-52	1952-53	1953-54	1954-55	(Lakhs of Rupees)	
						1955-56 (Revised)	1956-57 (Budget)
A. RECEIPTS							
Permanent Debt		11,81	16,61	34,06	21,25	78,22	84,38
Floating Debt*		3,75	26,65	—10,65	—3,63	—2,01	2,32
Loans from the Centre		73,96	87,18	125,23	221,24	299,89	316,12
Unfunded Debt*		2,57	3,84	4,22	7,57	6,94	8,14
Loans and Advances repaid to State Governments		24,33	19,91	22,82	28,88	28,97	35,40
Deposits and Advances and other items* @		47,17	12,15	—2,01	—40,39	—26,21	23,31
Total Receipts		163,59	166,34	173,67	234,92	385,80	469,67
B. DISBURSEMENTS							
Capital Outlay:							
Development—							
Multi-Purpose River Valley Schemes		27,59	48,12	52,11	51,61	66,80	64,63
Irrigation and Navigation		24,00	22,28	30,31	41,74	71,88	81,86
Schemes of Agricultural Improvement and Research		12	2,05	42	1,89	4,50	2,95
Electricity Schemes		19,94	23,77	20,31	27,30	47,92	61,25
Road Transport		1,63	1,54	1,46	2,16	2,94	3,49
Buildings, Roads and Water Works		21,04	13,13	15,49	21,81	39,48	80,23
Industrial Development		5,81	3,32	4,46	5,47	7,84	17,13
Others		16	10	88	43	1,37	1,38
Total Development		100,29	114,31	125,44	152,41	242,73	315,92
Non-Development:							
State Trading		25,09	18,82	—13,43	—18,21	—14,48	—4,66
Compensation to Land-holders on the abolition of Zamindari		2,03	2,79	1,46	—1,96	3,32	6,17
Other Financial Transactions		16	9	—	3	2	29
Total Non-Development		27,28	—15,94	—11,97	—20,14	—11,18	1,80
Total Capital Outlay		127,57	98,37	113,47	132,26	231,56	317,72
Discharge of Permanent Debt		1,01	5,37	4,35	4,23	7,84	8,20
Repayments of Loans to the Centre		11,37	8,43	8,57	18,15	22,96	28,63
Loans and Advances by State Governments		48,77	38,28	49,91	57,86	107,39	90,31
Total Disbursements		188,72	159,45	176,30	212,50	369,75	454,06
C. Surplus (+) or Deficit (—) on Capital Account (A—B)							
		—25,13	—15,89	—2,63	—12,12	—16,05	—15,61

Note: —The figures for the years 1951-52 to 1953-54 do not include Part C States (viz., Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had Capital budgets only from 1954-55. For 1955-56 and 1956-57 revised and budget estimates are used since later figures are not available. For 1953-54 budget estimates for the composite State of Madras have been used. Budget estimates for 1956-57 are before tax changes. Figures for 1957-58 are not given as the budgets for all the States are not available.

* Figures are net. @ Including contingency fund transactions.

STATEMENT 59

REVENUE AND EXPENDITURE OF STATES (ON REVENUE ACCOUNT)

	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 (Accounts)	1955-56 (Revised)	1956-57 (Budget)
REVENUE						
Tax Revenue						
Taxes on Income	57.05	61.11	60.84	60.85	61.12	59.33
Share of Income-tax	52.65	56.98	56.99	55.97	55.27	53.51
Agricultural Income-tax	4.33	4.06	3.77	4.77	5.74	5.73
Profession Tax	7	7	8	11	11	9
Taxes on Property and Capital Trans- actions						
Estate Duty	75.40	85.40	100.21	101.94	112.39	126.88
Land Revenue .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Stamps and Registration	47.99	57.41	70.73	72.58	1.94	2.38
Urban Immovable Property Tax	25.56	25.99	27.79	27.05	80.33	92.66
	1.85	2.00	1.78	1.79	28.11	29.90
					2.01	1.94
Taxes on Commodities and Services						
Union Excise	148.60	158.41	169.25	174.43	176.02	180.52
State Excise	70	16.25	15.95	15.12	16.60	17.04
General Sales-tax	49.41	46.30	44.66	44.56	43.49	42.76
Sales-tax on Motor Spirit	54.40	51.21	58.33	66.39	68.28	70.66
Entertainment Tax	4.53	5.99	7.35	7.27	8.30	8.73
Electricity Duties	6.39	6.14	5.88	6.22	6.50	6.53
Motor Vehicles Taxes	3.39	3.42	4.76	5.24	5.63	5.81
Other Taxes and Duties (a)	10.09	11.76	13.67	13.67	14.39	14.98
	19.69	17.34	18.65	15.96	12.83	14.01
Total Tax Revenue	281.05	304.92	330.30	337.22	349.53	366.73
Non-Tax Revenue						
Administrative Receipts (b)	38.13	39.13	44.14	50.95	60.44	66.70
Net Contribution of Public Enterprises						
Forests	24.92	24.18	28.44	30.11	30.07	34.88
Irrigation (c)	12.61	11.03	11.35	13.55	12.82	11.99
Electricity Schemes	8.03	8.55	10.53	9.57	8.51	10.90
Road and Water Transport	3.41	3.37	4.34	6.87	5.96	7.66
Industries	77	23	1.62	1.13	2.03	3.51
	10	1.00	60	— 1.01	75	82
Other Revenue (d)	35.94	35.06	29.65	38.37	52.48	43.57
Grants-in-aid and Other Contributions						
	25.36	29.20	36.41	43.60	67.61	65.10
Total Non-Tax Revenue	124.35	127.57	138.64	163.03	210.60	210.25
Total Revenue	405.41	432.49	468.94	500.26	560.13	576.98

STATEMENT 60

RAILWAY FINANCES

(Crores of Rupee)								
	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57		1957-58
	Actuals	Actuals	Actuals	Actuals	Actuals	Budget	Revised	Budget
I. Capital-at-charge ..	850.11	857.38	869.30	901.58	968.98	1,087.09	1,067.03	1,191.20
II. Total Receipts (1 + 2) ..	291.16	270.87	274.60	286.81	316.33	345.05	350.43	378.96
1. Gross Traffic Receipts ..	290.82†	270.56	274.29	286.78	316.29	345.00	350.00	377.99
(a) Passenger ..	109.88	100.38	100.00	102.62	107.71	111.40	115.50	119.96
(b) Other Coaching ..	19.87	18.17	18.01	19.24	20.87	21.80	21.40	24.90
(c) Goods ..	156.79	146.12	147.18	158.69	180.28	205.50	206.50	226.59
(d) Other Earnings* ..	4.28	5.89	9.10	6.23	7.43	6.30	6.60	7.50
2. Miscellaneous Earnings ..	0.34	0.31	0.31	0.03	0.04	0.05	0.43	0.16
III. Total Expenses (1 + 2 + 3 + 4) ..	229.41	223.69	237.68	242.74	265.99	282.39	285.79	303.44
1. Ordinary Working Expenses ..	194.04†	187.96	201.47	205.87	212.95	224.10	229.03	243.85
Administrative ..	24.62	26.18	27.88	29.55	31.52	34.51	34.55	39.67
Repairs and Maintenance ..	62.57	64.21	68.03	72.44	78.67	82.72	84.26	80.19
Operating Staff ..	38.93	41.16	43.40	45.73	49.73	52.87	52.66	52.01
Operation (fuel) ..	31.00	22.20	23.98	23.25	23.58	24.96	27.58	43.97
Operation (other than staff and fuel) ..	14.40	13.48	13.96	11.26	10.19	9.31	7.92	13.08
Miscellaneous ..	20.49	17.12	18.64	17.83	14.97	14.67	17.02	17.40
Labour Welfare ..	3.60	3.64	4.03	4.26	5.03	5.63	6.01	6.91
Suspense ..	1.57	—0.03	1.50	1.56	—0.74	—0.56	—0.97	—0.37
2. Depreciation ..	30.00	30.00	30.00	30.00	45.00	45.00	45.00	45.00
3. Payments to Worked Lines ..	0.31	0.21	0.28	0.21	0.26	0.20	0.31	0.31
4. Miscellaneous Expenses ..	5.06	5.52	5.93	6.66	7.78	13.09	11.45	14.28
(a) Open Line Works ..	3.98	4.05	4.38	4.91	5.97	10.82	9.24	11.72
(b) Others ..	1.08	1.47	1.55	1.75	1.81	2.27	2.21	2.56
IV. Net Revenue (II-III) ..	61.75	47.18	36.92	44.06	50.34	62.66	64.64	74.62
V. Dividend to General Revenues ..	33.41	33.99	34.36	34.96	36.12	39.67	37.69	43.79
VI. Surplus (IV-V) ..	28.34	13.19	2.56	9.10	14.22	22.99	26.95	30.83
VII. Appropriation to :—								
(a) Development Fund ..	10.00	12.00	2.56	9.10	7.08	22.99	26.95	30.83
(b) Revenue Reserve Fund ..	18.34	1.19	—	—	7.14	—	—	—

†Figures of earnings and ordinary working expenses for 1951-52 are inclusive of the freight charges on railway materials including coal and other fuel of Rs. 16.31 crores and Rs. 15.01 crores, respectively. Figures from 1952-53 do not include these freight charges. From 1954-55, these freight charges are included under several demands and have been treated as recoveries. *Include Suspense.

STATEMENT 61**INTEREST-BEARING OBLIGATIONS AND INTEREST-YIELDING ASSETS OF THE
GOVERNMENT OF INDIA**

(Lakhs of Rupees)

	1951-52 Revised Estimate	1952-53 Revised Estimate	1953-54 Revised Estimate	1954-55 Revised Estimate	1955-56 Revised Estimate	1956-57 Revised Estimate	1957-58 Budget Estimate
I. Interest-Bearing Obligations							
<i>In India</i>							
1 Loans	1,402.10	1,403.58	1,366.05	1,474.91	1,509.61	1,588.45	1,654.38
2 Treasury Bills, Ways and Means Advances and Treasury Deposit Receipts	335.01	319.19	405.29	554.95	711.87	865.25	1,140.25
3 Small Savings	372.57	417.64	454.87	505.39	574.41	638.20	717.50
4 Depreciation and Reserve Funds ..	171.47	170.18	171.96	174.25	186.76	215.41	216.26
5 Others	193.02	189.14	155.68	190.48	188.17	206.79	240.42
6 Total	2,474.17	2,499.73	2,553.85	2,899.98	3,170.82	3,514.10	3,968.81
<i>In England</i>							
7 Loans	1.24	1.20	1.13	70	59	56	53
8 Others	32.24	29.03	27.84	26.56	22.61	21.69	21.10
9 Total	33.48	30.23	28.97	27.26	23.20	22.25	21.63
10 Dollar loans	112.04	113.74	111.80	111.91	117.57	132.95	204.18
11 Loans from U.S.S.R.						6.83	39.26
12 Total Interest-Bearing Obligations	2,619.69	2,643.70	2,694.62	3,039.15	3,311.59	3,676.13	4,233.88
II. Interest-Yielding Assets							
13 Capital advanced to Railways ..	833.63	864.23	875.16	901.72	973.66	1,072.79	1,196.96
14 Capital advanced to other Commercial Departments ..	112.95	81.25	88.24	115.33	112.08	150.19	172.28
15 Investment in Commercial Concerns			27.14	40.82	56.02	136.04	321.56
16 Capital advanced to States and other Interest-Bearing Loans ..	284.32	377.47	482.78	734.05	959.13	1,187.30	1,431.95
17 Debt due from Burma and Pakistan	348.15	348.15	348.15	300.00*	300.00*	300.00*	300.00*
18 Deposits with U.K. Government for redemption of Railway Annuities	8.53	5.44	4.33	3.18	1.99	1.97	48
19 Purchase of Annuities for Sterling Pensions	193.58	186.32	178.03	170.98	65.41	59.50	53.57
20 Total Interest-Yielding Assets ..	1,781.16	1,862.86	2,003.83	2,266.08	2,468.29	2,906.89	3,476.80
21 Cash and Securities held on Treasury Account	198.70	136.18	70.44	65.38	50.33	50.41	50.48
22 Balance of total Interest-Bearing Obligations not covered by above Assets	639.83	644.66	620.35	707.69	792.97	718.83	706.60

Note. Figures given in this Statement are only estimates (revised or budget); hence data in respect of Loans, Treasury bills, Small Savings and Capital advanced to Railways differ from those given in Statements 62, 63 and 69; 68.66 and 60 respectively, where latest figures have been given.

* Due from Pakistan only.

STATEMENT 62

DEBT POSITION OF THE GOVERNMENT OF INDIA

End of March	Market- able Rupee Loans	Percent- age to Total	Treasury Bills	Percent- age to Total	Small Savings [†]	Percent- age to Total	Other Obliga- tions [†]	Percent- age to Total	Total	Percent- age increase (+) or decrease (-)	(Crores of Rupees)	
											Total	Of which Dollar Loans
1952	..	1,403.51	57.0	332.51*	13.5	372.57	15.2	351.24	14.3	2,459.83	136.99	112.04
1953	..	1,403.58	56.3	315.44*	12.7	412.61	16.5	361.82	14.5	2,493.45	138.53	113.74
1954	..	1,364.27	54.4	334.95	13.4	450.51	15.0	355.44	14.2	2,505.17	136.44	111.80
1955	..	1,474.39	52.0	471.87	16.6	505.70	17.5	391.97	13.8	2,843.93	133.20	111.91
1956	..	1,508.67	49.2	595.25	19.4	572.96	18.7	390.29	12.7	3,067.17	138.81	117.57
1957	..	1,633.61 ^{††}	46.6	835.70	23.8	629.38	18.0	406.55	11.6	3,505.24	160.98	132.95

Note :— Figures are provisional, excepting those of rupee loans and Treasury bills.

① Inclusive of Indian Union's share of pre-partition liabilities. † Including (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) balances of special loans, (3) balances of State Provident Funds and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund etc. and (4) the amount of Three-year Interest-Free Bonds and Five-Year Interest-Free Prize Bonds. * Including Treasury Deposit Receipts. †† Including Hyderabad State loans the liability for which was taken over by the Central Government under Section 82(1) of the States Reorganisation Act, 1956.

STATEMENT 63

MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS[†]

End of March	Undated	Percentage to Total	Over 10 years	Percentage to Total	Between 5 and 10 years	Percentage to Total	Under 5 years	Percentage to Total	Total*	
1952	..	257.85	18.4	463.47	33.0	450.14	32.1	232.05	16.5	1,403.51
1953	..	257.85	18.4	387.60	27.6	411.67	29.3	346.46	24.7	1,403.58
1954	..	257.85	18.9	271.43	19.9	546.93	40.1	288.06	21.1	1,364.27
1955	..	257.85	17.5	241.14	16.4	621.70	42.2	353.70	24.0	1,474.39
1956	..	257.85	17.1	241.17	16.0	616.52	40.9	393.13	26.1	1,508.67
1957**	..	257.85	15.8	245.83	15.0	665.43	40.7	464.50	28.4	1,633.61

* Figures are actuals as available with the Reserve Bank of India and differ from those in Statement 61 which are revised estimates for all years.
† Where loans bear two dates of maturity, the earlier date has been taken for purposes of classification ; for loans not redeemed on the earlier date, later date has been taken.

**Includes Hyderabad State loans, the liability for which was taken over by Central Government on October 31, 1956 under Section 82(1) of the States Reorganisation Act ; the total outstanding of Hyderabad loans at the end of March 1957 was Rs. 46.52 crores.

STATEMENT 64

DEBT POSITION OF STATES

	At the End of				
	1951-52	1952-53	1953-54	1954-55	1955-56 (Revised Estimate)
I. Public Debt—					
(a) Permanent Debt	133.71	145.00	179.94	190.53	264.48
(b) Floating Debt	15.66	42.48@	14.17	10.32	8.20
(c) Loans from Central Government	238.54	312.97	450.16	638.20	876.07
II. Unfunded Debt	57.37	62.53	67.38	75.91	83.19
III. Gross Total Debt	445.28	562.98	711.85	914.96	1231.94

Note.—The data exclude Part C States which had a separate capital account only from 1954-55; their debt consisted almost exclusively of loans from the Central Government amounting to Rs. 351 lakhs in 1954-55 and to Rs. 11.39 lakhs in 1955-56 (R.E.). The figures in this Statement are based on actual returns furnished by the States excepting in the case of Assam where the information for 1951-52 and Bihar where the information for 1954-55 and 1955-56 is based on the Budget papers. Data of appropriation for reduction or avoidance of debt, are not available for Part B States and hence the figures are not given.

@ The abnormal increase is on account of substantial ways and means advances (Rs. 18 crores) taken by the Madras Government.

STATEMENT 65

GOVERNMENT BALANCES IN INDIA WITH THE RESERVE BANK OF INDIA AND AT GOVERNMENT TREASURIES

	Reserve Bank of India					Government Treasuries				
	Central Government		States			Central Government		States		
	1955-56	1956-57	1955-56(a)	1956-57(b)	1956-57(c)	1955-56	End of	1955-56	1956-57	1956-57(c)
(a) Data upto October 1955 relate to Part 'A' States and 5 of the Part 'B' States, viz. Madhya Bharat, Travancore-Cochin, Mysore, Hyderabad and Saurashtra.	54.61	57.00	28.26	19.48	April	2.03	1955-56	2.03	2.23	3.16
(b) Data upto October 1956 relate to Part 'A' States and two of the 'B' States, viz. Travancore-Cochin and Mysore.	54.04	48.83	13.65	6.76	May	1.93	1956-57	1.93	1.92	2.93
(c) Data since November 1956 relate to all the reorganised States.	48.00	56.08	3.64	5.82	June	2.16	1955-56(b)	2.16	2.31	3.25
	73.16	71.46	13.71	3.58	July	2.26	1956-57	2.26	2.29	2.90
	61.64	57.70	29.55	2.60	August	2.17	1955-56(c)	2.17	2.23	3.00
	49.56	70.40	6.54	9.96	September	2.04	1956-57	2.04	2.01	2.90
	45.94	56.92	26.77	43.62	October	2.15	1955-56	2.15	2.22	2.94
	55.83	47.69	7.28	13.46	November	2.34	1956-57	2.34	2.1	3.04
	49.45	80.97	6.40	15.73	December	2.03	1955-56	2.03	10	3.15
	58.48	38.63	15.22	19.13	January	2.23	1956-57	2.23	20	3.16
	66.17	46.03	17.17	4.24	February	1.98	1955-56	1.98	14	9.97
	—3.09	57.70	88.68	2.58	March	—1.53	1956-57	—3.70	3.26	10.12
									2.67	9.00

(a) Data upto October 1955 relate to Part 'A' States and 5 of the Part 'B' States, viz. Madhya Bharat, Travancore-Cochin, Mysore, Hyderabad and Saurashtra.

(b) Data upto October 1956 relate to Part 'A' States and two of the 'B' States, viz. Travancore-Cochin and Mysore.

(c) Data since November 1956 relate to all the reorganised States.

STATE

PRINCIPAL ITEMS (1)

		Post Office Savings Bank Deposits				National Savings Certificates (a)				Treasury Savings Deposit Certificates			
		Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-stand-ings at the end of the period	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-stand-ings at the end of the period	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-stand-ings at the end of the period
		1	2	3	4	5	6	7	8	9	10	11	12
1	1951-52	.. 1,07,56	94,73	12,83	74,19	24,60	6,74	17,86	75,77	13,10	2	13,08	18,39
2	1952-53	.. 1,13,35	95,52	17,83	92,02	25,93	7,44	18,49	94,26	7,55	30	7,25	25,64
3	1953-54	.. 1,17,37	1,03,11	14,26	1,06,28	28,40	8,11	20,29	1,14,55	6,94	47	6,47	32,11
4	1954-55	.. 1,34,94	1,10,34	24,60	1,30,88	28,89	9,11	19,78	1,34,33	5,57	53	5,04	37,15
5	1955-56	.. 1,58,15	1,21,14	37,01	1,67,89	29,17	9,90	19,27	1,53,60	4,79	69	4,10	41,25
6	1956-57(e)	.. 1,70,95	1,44,91	26,04	1,93,93	34,45	15,33	19,12	1,72,72	3,92	89	3,03	44,28
7	April 1955	12,41	10,07	2,34	1,33,22	2,46	73	1,73	1,36,06	45	5	40	37,55
8	May ..	11,82	10,70	1,12	1,34,34	2,37	73	1,64	1,37,70	41	7	34	37,89
9	June ..	12,26	10,34	1,92	1,36,26	2,22	87	1,35	1,39,05	37	4	33	38,22
10	July ..	12,80	8,53	4,27	1,40,53	2,39	65	1,74	1,40,79	41	9	32	38,54
11	August ..	12,25	8,98	3,27	1,43,80	2,21	72	1,49	1,42,28	39	6	33	38,87
12	September ..	12,40	9,29	3,11	1,46,91	2,67	66	2,01	1,44,29	44	3	41	39,28
13	October ..	11,35	9,27	2,08	1,48,99	2,21	77	1,44	1,45,73	46	6	40	39,68
14	November ..	11,25	9,84	1,41	1,50,40	2,08	85	1,23	1,46,96	43	6	37	40,05
15	December ..	12,94	10,90	2,04	1,52,44	2,76	98	1,78	1,48,74	36	7	29	40,34
16	January 1956	12,16	10,46	1,70	1,54,14	2,16	97	1,19	1,49,93	32	5	27	40,61
17	February ..	12,87	10,82	2,05	1,56,19	2,49	93	1,56	1,51,49	39	5	34	40,95
18	March ..	23,64	11,94	11,70	1,67,89	3,15	1,04	2,11	1,53,60	36	6	30	41,25
19	April ..	14,54	11,32	3,22	1,71,11	2,43	95	1,48	1,55,08	34	8	26	41,51
20	May ..	14,77	12,80	1,97	1,73,08	2,70	1,05	1,65	1,56,73	38	7	31	41,82
21	June ..	15,24	12,20	3,04	1,76,12	2,98	1,14	1,84	1,58,57	38	9	29	42,11
22	July ..	14,61	10,65	3,96	1,80,08	3,21	96	2,25	1,60,82	38	7	31	42,42
23	August ..	14,10	10,94	3,16	1,83,24	2,82	1,28	1,54	1,62,36	36	6	30	42,72
24	September ..	13,27	11,65	1,62	1,84,86	2,83	99	1,84	1,64,20	34	6	28	43,00
25	October ..	13,00	11,84	1,16	1,86,02	2,54	1,25	1,29	1,65,49	35	6	29	43,29
26	November ..	12,70	11,80	90	1,86,92	2,44	1,40	1,04	1,66,53	25	15	10	43,39
27	December ..	14,77	13,70	1,07	1,87,99	2,70	1,38	1,32	1,67,85	26	7	19	43,58
28	January 1957	13,46	13,32	14	1,88,13	2,97	1,96	1,01	1,68,86	36	5	31	43,89
29	February ..	12,96	12,23	73	1,88,86	2,51	1,46	1,05	1,69,91	30	5	25	44,14
30	March (e) ..	17,53	12,46	507	1,93,93	4,32	1,51	2,81	1,72,72	22	8	14	44,28

Note.—Figures relate to Indian Union ; the outstandings do not include the Indian Union's share of pre-partition liabilities.

(a) Include twelve year, seven year and five year National Savings Certificates, the last being discontinued with effect from July 1, 1953, and the others from July 1, 1957.

(e) Figures are provisional ; constituent items, therefore, do not necessarily add up to the totals. The figures of Post Office Savings Bank Deposits do not include accrued interest.

PART 66

SMALL SAVINGS (ANNUAL AND MONTHLY)

Post Office Cash Certificates, Defence Savings Bank Deposits and Defence Savings Certificates			10 Year National Plan Certifi- cates (b)		15 Year Annuity Certificates (c)		(Lakhs of Rupees)			
							TOTAL			
Repay- ments	Net Receipts	Outstand- ings at the end of the period(d)	Net Receipts	Outstand- ings	Net Receipts	Outstand- ings	Total Gross Receipts	Total Repay- ments	Total Net Receipts	Total Outstand- ings at the end of the period
13	14	15	16	17	18	19	20	21	22	23
5,23	-5,23	-27,55	—	—	—	—	1,45,26	1,06,72	38,54	1,40,80
3,52	-3,52	-31,07	—	—	—	—	1,46,83	1,06,78	40,05	1,80,85
3,12	-3,12	-34,19	—	—	—	—	1,52,71	1,14,81	37,90	2,18,75
2,15	-2,15	-36,34	7,38	7,38	54	54	1,77,32	1,22,13	55,19	2,73,94
2,52	-2,52	-38,87	8,99	16,37	41	95	2,02,43	1,35,17	67,26	3,41,19
1,13	-1,13	-40,00	8,99	25,36	37	1,32	2,19,83	1,63,41	56,42	3,97,61
15	-15	-36,50	48	7,86	4	58	15,84	11,00	4,84	2,78,77
14	-14	-36,64	65	8,51	3	61	15,30	11,66	3,64	2,82,41
12	-12	-36,76	81	9,32	4	65	15,74	11,41	4,33	2,86,74
9	-9	-36,85	87	10,19	4	69	16,55	9,40	7,15	2,93,89
11	-11	-36,96	81	11,00	3	72	15,76	9,94	5,82	2,99,71
15	-15	-37,11	80	11,80	3	75	16,49	10,28	6,21	3,05,92
112	-112	-38,23	69	12,49	5	80	14,87	11,33	3,54	3,09,46
11	-11	-38,34	71	13,20	5	85	14,63	10,97	3,66	3,13,12
10	-10	-38,44	78	13,98	3	88	16,98	12,16	4,82	3,17,94
11	-11	-38,55	75	14,73	3	91	15,51	11,68	3,83	3,21,77
11	-11	-38,66	84	15,57	2	93	16,70	12,00	4,70	3,26,47
21	-21	-38,87	80	16,37	2	95	28,06	13,34	14,72	3,41,19
9	-9	-38,96	76	17,13	3	98	18,16	12,50	5,66	3,46,85
9	-9	-39,05	78	17,91	2	1,00	18,72	14,08	4,64	3,51,49
10	-10	-39,15	84	18,75	4	1,04	19,56	13,61	5,95	3,57,44
9	-9	-39,24	93	19,68	3	1,07	19,25	11,86	7,39	3,64,83
11	-11	-39,35	90	20,58	4	1,11	18,31	12,48	5,83	3,70,66
18	-18	-39,17	76	21,34	2	1,13	17,32	12,62	4,70	3,75,36
9	-9	-39,26	73	22,07	4	1,17	16,75	13,33	3,42	3,78,78
9	-9	-39,35	67	22,74	2	1,19	16,19	13,55	2,64	3,81,42
8	-8	-39,43	59	23,33	3	1,22	18,46	15,34	3,12	3,84,54
41	-41	-39,84	75	24,08	5	1,27	17,71	15,86	1,85	3,86,39
7	-7	-39,91	63	24,71	3	1,30	16,54	13,92	2,62	3,89,01
9	-9	-40,00	65	25,36	2	1,32	22,86	14,26	8,60	3,97,61

(b) Ten-year National Plan Certificates were being issued since May 10, 1954: they have been discontinued from July 1, 1957.

(c) Fifteen year annuity certificates are being issued since July 1, 1954.

(d) Represent progressive net repayments since August 15, 1947.

STATEMENT 67
MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1956-57

Description of Loan	1	2	3	4	Redemption yield at issue price (%)	Subscriptions Accepted (Rs. crores)				Repayment in cash of maturing Loans (Rs. crores)	Net borrowing (Rs. crores) (6-10)
						Cash	Conversion		Total		
						6	7	8	9	10	11
1951-56 Total											
Central Government	240.10	147.40	387.50	172.91	..	+ 67.19
State Governments	119.78	5.98	125.76	9.76	..	+ 110.02
Central and State Governments	359.88	153.38	513.26	182.67	..	+ 177.21
1956-57											
Central Government	30.25	27.02	57.27	..	..	+ 30.25
31% Bonds, 1962	6	98.00	3.62	28.23	3% Victory Loan, 1957	5.59	33.82	..	+ 28.23
31% National Plan Bonds 1967 (third series)	..	150.00	11	98.50	3.67	18.73	47.91	66.64	..	..	+ 18.73
31% Loan, 1974	18	98.50	3.87	77.21	80.52	157.73	..	..	+ 77.21
Total of Central Government	..	150.00	..	..	..	..	..	..	..	..	..
State Governments	6.56	..	6.56	..	..	+ 6.56
4% Andhra State Development Loan, 1968	..	6.00	12	99.50	4.05	2.13	..	2.13	..	..	+ 2.13
4% Bihar State Development Loan, 1968	..	2.00	12	99.25	4.08	..	..	..	..	..	..
4% Bombay State Development Loan, 1970	..	7.50	14	100.00	4.00	6.61	3% Bombay Govt. Loan, 1956	1.46	8.07	1.43	+ 5.18

4 % Hyderabad State Development Loan, 1968	..	..	2.00	12	99.50	4.05	2.18	—	2.18	—	2.18
4 % Madhya Bharat State Development Loan, 1968	..	..	1.00	12	99.25	4.08	1.11	—	1.11	—	1.11
4 % Madhya Pradesh State Development Loan, 1968	1.50	12	99.25	4.08	1.56	3 % Madhya Pradesh Loan, 1956	0.02	1.58	0.48	1.08
4 % Madras Loan, 1968	12.50	12	99.75	4.03	13.35	3 % Madras Govt. Loan, 1956	0.49	13.84	0.79	12.56
4 % Mysore State Development Loan, 1968	..	..	4.00	12	99.50	4.05	4.11	—	4.11	—	4.11
4 % Orissa Government Loan, 1968	..	..	3.00	12	99.25	4.08	3.06	—	3.06	—	3.06
4 % Punjab Loan, 1968	..	..	2.00	12	99.25	4.08	2.04	—	2.04	—	2.04
4 % Rajasthan State Development Loan, 1968	..	..	3.00	12	99.50	4.05	3.14	—	3.14	—	3.14
4 % Saurashtra State Development Loan, 1968	..	..	2.50	12	99.50	4.05	2.75	—	2.75	—	2.75
4 % Travancore-Cochin State Development Loan, 1968	2.00	12	99.25	4.08	2.05	3½ % Travancore Govt. Loan, 1956	0.21	2.26	0.30	1.75
4 % Uttar Pradesh State Development Loan, 1968	..	..	8.00	12	99.50	4.05	8.77	—	8.77	—	8.77
4 % West Bengal Loan, 1968	..	..	7.00	12	100.00	4.00	7.11	—	7.11	—	7.11
Total of State Governments	..	..	64.00				66.53	2.18	68.71	3.00	63.53
Total of Central and State Governments			214.00				143.74	82.70	226.44	3.00	140.74	

Note.—The Statement excludes issues and repayments of Uttar Pradesh Encumbered Estates Act Bonds and Uttar Pradesh Zamindari Abolition Compensation Bonds ; total issues and repayments of U.P.F.E. Act Bonds during 1956-57 amounted, respectively, to Rs. 2 lakhs and Rs. 13 lakhs, and of U.P.Z.A.C. Bonds to Rs. 8.86 crores and Rs. 0.65 crore.

* Figures are not given since one of the loans, viz., the 3 1/2 % National Plan Loan, 1964 was issued in 1954-55 without limit of amount.

STATEMENT 68

GOVERNMENT OF INDIA THREE MONTHS TREASURY BILLS
(ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Year			Amount offered for tender	Amount tendered	Amount sold	Average yield per cent per annum	Amount sold in favour of the Reserve Bank of India†	Amount outstanding at the end of the period‡
1951-52	..	..					13,35,50	3,14,34
1952-53	..	..	42,00	65,60	42,00	2.22	12,33,09	3,15,29
1953-54	..	..	56,50	91,38	56,50	2.45	13,09,06	3,34,95
1954-55	..	..	23,50	37,97	23,50	2.53	15,23,81	4,71,87
1955-56	..	..	55,50	86,25	55,50	2.52	19,94,09	5,95,25
1956-57	..	..	1,00*	1,03*	1,00*	2.53*	27,37,58	8,35,70
April	1956	..	1,00*	1,03*	1,00*	2.53*	2,03,21	6,44,95
May	..	..					2,77,83	6,41,26
June	..	..					1,61,37	6,43,40
July	..	..					2,00,91	6,00,11
August	..	..					2,42,02	5,79,25
September	..	..					1,35,77	5,78,70
October	..	..					2,83,62	6,56,89
November	..	..					2,66,75	6,71,13
December	..	..					1,26,41	6,67,20
January	1957	..					3,14,09	7,07,25
February	..	..					2,98,02	7,38,57
March	..	..					2,27,59	8,35,70

Note.—Sales of Treasury bills to the public were suspended from December 20, 1949 to September 9, 1952, from April 20, 1954 to November 2, 1954 and again since April 3, 1956.

* Figures relate to the issue for one week only. † Including creation/renewal of *ad hoc* Treasury bills. ‡ Comprising amount outstanding on account of (i) Treasury bills held by the public, (ii) Treasury bills held by State Governments and other approved bodies, (iii) *ad hoc* created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U. K. Government in terms of the Sterling Balances Agreement of July 1948, and (iv) *ad hoc* created since 1954-55 and held in the Issue Department for replenishing the Centre's Cash balances. The outstandings of *ad hoc* under (iii) and (iv) above amounted to Rs. 267.51 crores at the end of 1951-52, Rs. 260.51 crores at the end of 1952-53, Rs. 253.32 crores at the end of 1953-54, Rs. 365.52 crores at the end of 1954-55, Rs. 487.52 crores at the end of 1955-56 and Rs. 713.52 crores at the end of 1956-57.

STATEMENT 69**CENTRAL AND STATE GOVERNMENT LOANS**

(OUTSTANDINGS AS ON MARCH 31, 1957)

(Thousands of Rupees)

Central Government Loans										Amount Outstanding
21 ⁰⁰	Bhopal War Bonds, 1957	..	..	..	..	..	..	..	..	26,25
3 ⁰⁰	Victory Loan, 1957	..	..	..	..	..	..	..	..	34,76,02
3 ⁰⁰	Loan, 1958	..	..	..	..	..	..	..	..	50,35,63
41 ⁰⁰	Loan, 1958-68	..	..	..	..	..	..	..	..	5,85,73
3 ⁰⁰	Second Victory Loan, 1959-61	..	..	..	..	..	..	..	..	1,13,65,64
21 ⁰⁰	Loan, 1960	..	..	..	..	..	..	..	..	45,63,07
4 ⁰⁰	Loan, 1960-70	..	..	..	..	..	..	..	..	63,30,26
21 ⁰⁰	Loan, 1961	..	..	..	..	..	..	..	..	57,00,69
31 ⁰⁰	National Plan Bonds, 1961	..	..	..	..	..	..	..	..	75,29,00
21 ⁰⁰	Loan, 1962	..	..	..	..	..	..	..	..	75,86,72
31 ⁰⁰	Bonds, 1962	..	..	..	..	..	..	..	..	57,27,36
3 ⁰⁰	Loan, 1963-65	..	..	..	..	..	..	..	..	1,16,17,46
3 ⁰⁰	Loan, 1964	..	..	..	..	..	..	..	..	30,33,10
31 ⁰⁰	National Plan Loan, 1964	..	..	..	..	..	..	..	..	1,58,17,90
31 ⁰⁰	National Plan Bonds (Second Series), 1965	..	..	..	..	..	..	..	..	1,03,67,92
3 ⁰⁰	Funding Loan, 1966-68	..	..	..	..	..	..	..	..	1,10,11,78
3 ⁰⁰	Bhopal Loan, 1966-76	..	..	..	..	..	..	..	..	1,21,73
31 ⁰⁰	National Plan Bonds (Third Series), 1967	..	..	..	..	..	..	..	..	33,81,83
3 ⁰⁰	First Development Loan, 1970-75	..	..	..	..	..	..	..	..	1,15,05,83
31 ⁰⁰	Loan, 1974	..	..	..	..	..	..	..	..	66,61,95
21 ⁰⁰	Loan, 1976	..	..	..	..	..	..	..	..	14,77,48
3 ⁰⁰	Hyderabad Loan, 1951-61	..	..	..	..	..	..	..	..	6,59,00
21 ⁰⁰	Hyderabad Loan, 1953-63	..	..	..	..	..	..	..	..	5,38,43
21 ⁰⁰	Hyderabad Loan, 1954-59	..	..	..	..	..	..	..	..	7,54,76
21 ⁰⁰	Hyderabad Loan, 1955-60	..	..	..	..	..	..	..	..	4,23,61
4 ⁰⁰	Hyderabad Development Loan, 1963	..	..	..	..	..	..	..	..	3,34,71
11 ⁰⁰	Hyderabad Loan, 1964	..	..	..	..	..	..	..	..	3,85,71
4 ⁰⁰	Hyderabad Development Loan, 1967	..	..	..	..	..	..	..	..	2,12,46
4 ⁰⁰	Hyderabad Development Loan, 1968	..	..	..	..	..	..	..	..	2,18,02
21 ⁰⁰	Hyderabad Loan, 1974	..	..	..	..	..	..	..	..	4,40,00
21 ⁰⁰	Hyderabad Loan, 1975	..	..	..	..	..	..	..	..	6,85,71
3 ⁰⁰	Conversion Loan, 1986 or Later	..	..	..	..	..	..	..	..	2,48,91,41
3 ⁰⁰	Non-terminable Loan, 1896-97	..	..	..	..	..	..	..	..	8,93,34
										16,33,60,51
Loans not bearing interest										
Central Government Loans										2,49,17
Hyderabad Loans										1,34
TOTAL										16,36,11,02
State Government Loans										
ANDHRA PRADESH										
4 ⁰⁰	Andhra State Development Loan, 1967	..	..	..	..	..	..	..	..	5,60,16
4 ⁰⁰	Andhra State Development Loan, 1968	..	..	..	..	..	..	..	..	6,56,15
TOTAL										11,56,31

Note.—(1) The liability for Hyderabad State loans was taken over by the Central Government on October 31, 1956 under Section 82(1) of the States Reorganisation Act. The outstanding balances of Hyderabad loans in O. S. Currency have been converted into India Government currency at the rate of 1 G. Rs. 6 = O.S. Rs. 7. (2) The data regarding State Government Loans are incomplete in respect of loans issued prior to the financial arrangement with the Reserve Bank of India.

STATEMENT 69 - (Contd.)

	Amount Outstanding
BIHAR	
4 % Bihar State Development Loan, 1963	1,31,29
4 % Bihar State Development Loan, 1967	1,54,02
4 % Bihar State Development Loan, 1968	2,13,15
TOTAL ..	4,98,46
BOMBAY	
3 % Bombay Government Loan, 1958	3,04,13
3 % Bombay State Development Loan, 1960	2,83,70
3 % Bombay Tapi Irrigation Development Loan, 1961	67,94
3 % Bombay Provincial Development Loan, 1962	5,49,76
3½ % Bombay State Development Loan, 1962	2,90,05
4 % Bombay State Development Loan, 1963	5,25,90
4 % Saurashtra State Development Loan, 1963	1,13,16
4 % Bombay State Development Loan, 1964	3,45,95
4 % Saurashtra State (Local Bodies Development) Loan, 1964	2,52,00
4 % Bombay State Development Loan, 1967	9,87,51
4 % Saurashtra State Development Loan, 1967	3,61,66
4 % Saurashtra State Development Loan, 1968	2,74,85
4 % Bombay State Development Loan, 1970	8,07,06
TOTAL ..	51,63,67
Loans not bearing interest	4,12
TOTAL ..	51,67,79
KERALA	
4 % Travancore-Cochin State Development Loan, 1963	3,25,61
4 % Travancore-Cochin State Development Loan, 1968	2,24,73
TOTAL ..	5,50,34
MADHYA PRADESH	
3 % Madhya Pradesh Loan, 1958	52,70
3 % Madhya Pradesh Loan, 1960	1,01,45
3½ % Madhya Pradesh Loan, 1962	1,02,18
4 % Madhya Pradesh State Development Loan, 1963	1,10,18
4 % Madhya Bharat State Development Loan, 1963	1,04,77
3 % Madhya Pradesh State Development Loan, 1964	2,03,29
4 % Madhya Pradesh State Development Loan, 1967	1,63,12
4 % Madhya Pradesh State Development Loan, 1968	1,58,42
4 % Madhya Bharat State Development Loan, 1968	1,11,26
TOTAL ..	11,07,37
Loans not bearing interest	77
TOTAL ..	11,08,14
MADRAS	
3 % Madras Loan, 1958	1,07,95
3 % Madras Loan, 1959	1,23,96
3 % Madras Development Bonds, 1960	4,38,25
3 % Madras Loan, 1960	2,78,44
2½ % Madras Loan, 1961	3,81,77
3½ % Madras Loan, 1962	3,01,49
4 % Madras Loan, 1963	10,33,71
4 % Madras Loan, 1964	5,24,81
4 % Madras Loan, 1967	10,47,17
4 % Madras Loan, 1968	13,83,56
TOTAL ..	56,21,11
Loans not bearing interest	5,31
TOTAL ..	56,26,42

Amount
Outstanding

Loans bearing interest									2,80,01.72
Loans not bearing interest									20.11
							TOTAL		2,80,21.83

STATEMENT 70

INDIA'S OVERALL BALANCE OF PAYMENTS, 1956-57

A. CURRENT ACCOUNT

Item	April-June 1956			July-September 1956			October-December 1956			January-March 1957			Year: 1956-57 (Preliminary)			(Crores of Rupees)	
	Credits		Net	Credits		Net	Credits		Net	Credits		Net	Credits		Debits		Net
	Debits			Debits			Debits			Debits			Debits				
1. Merchandise (Exports <i>f.o.b.</i> , Imports <i>c.i.f.</i>)	..	152.8	196.1	134.2	195.5	-61.3	171.0	209.6	-38.6	177.0	194.7	-17.7	635.0	795.9	-160.9		
(i) Private (a)	..	0.7	34.1	0.6	51.1	-10.5	0.5	84.4	-33.9	0.2	111.0	-110.8	2.0	280.6	-278.6		
(ii) Government, Food and Stores (b)		
2. Non-monetary gold movement		
3. Foreign Travel (c)	..	1.1	4.3	1.1	4.0	-2.9	1.3	2.7	-1.4	1.9	1.3	+ 0.6	5.4	12.3	- 6.9		
4. Transportation (d)	..	9.9	3.9	10.6	3.8	- 6.8	12.2	3.6	- 8.6	13.5	4.1	+ 9.4	46.2	15.4	+ 30.8		
5. Insurance (e)	..	2.6	2.1	2.9	1.7	+ 1.2	2.5	1.4	- 1.1	2.4	1.6	+ 0.8	10.4	6.8	+ 3.6		
6. Investment Income (e)	..	9.3	6.0	8.0	5.7	- 2.3	9.1	5.7	- 3.4	6.5	4.9	- 1.6	32.9	22.3	+ 10.6		
7. Government, not included elsewhere (f)	..	5.4	3.5	5.9	3.3	+ 2.6	7.1	2.9	- 4.2	7.2	4.4	+ 2.8	25.6	14.1	+ 11.5		
8. Miscellaneous (g)	..	9.9	5.9	7.5	5.5	+ 2.0	8.5	5.2	- 3.3	11.4	5.4	+ 6.0	37.3	22.0	+ 15.3		
9. Donations		
(i) Official (h)	..	9.6	..	8.3	..	- 8.3	7.6	..	+ 7.6	14.3	..	+ 14.3	39.8	..	+ 39.8		
(ii) Private (i)	..	14.9	4.8	13.6	3.5	+10.1	14.3	3.4	+10.9	15.1	3.9	+ 11.2	57.9	15.6	+ 42.3		
10. Total Current Transactions	216.2	260.7	-44.5	192.7	274.1	-81.4	234.1	318.9	-84.8	249.5	331.3	-81.8	892.5	1,185.0	-292.5		
Errors and Omissions	- 7.1	..	..	+ 17.7	..	..	+ 2.2	..	..	- 17.4	..	..	- 4.6		

(a) Includes estimates of unrecorded imports paid for with Indian currency notes. (b) Transactions under Government barter deals, if any, have not been included (c) Data for receipts are incomplete. (d) Receipts cover estimated amounts for reimbursement of freight and insurance paid in advance by exporters and disbursements of foreign ships in Indian ports etc. and payments include operating expenses abroad of Indian steamship companies and some freight and insurance payments. It may be noted that these items are more or less complete on the receipts side but in regard to payments only a portion of the expenditure is entered here. Payments for imports are recorded on a *c.i.f.* basis and therefore they include all but a small portion of expenditure on account of 'Transportation' and 'Insurance'. (e) Receipts include interest on investments of the Reserve Bank of India. (f) The payments figures represent disbursements of the Government, e.g. for the upkeep of its organisations abroad and contributions to International organisations. (g) Covers receipts and payments mainly for services e.g. for film rentals, technicians and agency services. (h) Represents contra entries for imports financed by aid received under the Colombo Plan, Indo-American Technical Co-operation Agreement and cash receipts from the Ford Foundation. (i) Comprises unilateral transfers like migrants' transfers and personal and institutional remittances like family maintenance allowances, etc. keep of religious missions, etc.

STATEMENT 71

INDIA'S BALANCE OF PAYMENTS

CURRENT ACCOUNT : REGION-WISE SUMMARY

(Crores of Rupees)

	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
					(Preliminary)	
All Areas						
Imports c.i.f.	962.9	633.0	591.8	683.8	750.6	1,076.5
Exports f.o.b.	730.1	601.9	539.7	596.6	641.1	637.0
Trade Balance	-232.8	-31.1	-52.1	-87.2	-109.5	-439.5
Official Donations (Net) .. +	5.3	+ 10.8	+ 19.0	+ 15.8	+ 42.0	+ 39.8
Other Invisibles (Net) .. +	64.9*	+ 80.5	+ 80.5	+ 77.4	+ 84.4	+ 107.2
Current Account (Net) .. -	162.6	+ 60.2	+ 47.4	+ 6.0	+ 16.9	-292.5
Sterling Area						
Imports c.i.f.	376.7	281.8	302.3	357.4	357.2	458.5
Exports f.o.b.	397.5	306.2	291.2	339.7	331.2	333.2
Trade Balance	+ 20.8	+ 24.4	- 11.1	- 17.7	- 26.0	-125.3
Official Donations (Net) .. +	2.8	+ 1.5	+ 0.4	+ 0.8	+ 0.1	+ 2.1
Other Invisibles (Net) .. +	75.3	+ 73.0	+ 74.9	+ 69.8	+ 70.5	+ 88.0
Current Account (Net) .. +	98.9	+ 98.9	+ 64.2	+ 52.9	+ 44.6	- 35.2
Dollar Area						
Imports c.i.f.	329.6	185.6	108.4	116.8	125.2	198.5
Exports f.o.b.	173.5	143.8	115.6	113.3	120.5	121.5
Trade Balance	-156.1	- 41.8	+ 7.2	- 3.5	- 4.7	- 77.0
Official Donations (Net) .. +	2.5	+ 9.3	+ 18.6	+ 15.0	+ 41.9	+ 37.5
Other Invisibles (Net) .. +	2.6*	+ 5.6	+ 1.4	+ 3.4	+ 6.4	+ 8.1
Current Account (Net) .. -	151.0	- 26.9	+ 27.2	+ 14.9	+ 43.6	- 31.4
OECC Countries†						
Imports c.i.f.	106.1	82.2	101.6	135.0	154.2	263.9
Exports f.o.b.	73.8	63.1	45.4	60.6	73.1	63.3
Trade Balance	32.3	- 19.1	- 56.2	- 74.4	- 81.1	-200.6
Official Donations (Net) .. -	-	-	-	-	-	+ 0.1
Other Invisibles (Net) .. -	2.5	- 1.2	- 1.3	- 1.3	- 3.1	- 1.4
Current Account (Net) .. -	34.8	- 20.3	- 57.5	- 75.7	- 84.2	-201.9
Rest of Non-Sterling Area						
Imports c.i.f.	150.5	83.4	79.5	74.6	114.0	155.6
Exports f.o.b.	85.3	88.8	87.5	83.0	116.3	119.0
Trade Balance	- 65.2	+ 5.4	+ 8.0	+ 8.4	+ 2.3	- 36.6
Official Donations (Net) .. -	-	-	-	-	-	+ 0.1
Other Invisibles (Net) .. -	10.5	+ 3.1	+ 5.5	+ 5.5	+ 10.6	+ 12.5
Current Account (Net) .. -	75.7	+ 8.5	+ 13.5	+ 13.9	+ 12.9	- 24.0

* Includes Non-monetary Gold Movement (Net) Rs. -1.0 crore.

† Include transactions with their associated territories upto June 1955.

STATEMENT 72

INDIA'S BALANCE OF PAYMENTS, 1956-57

CURRENT ACCOUNT—REGIONWISE

STERLING AREA

Item	April-June 1956				July-September 1956				October-December 1956				January-March 1957				Year: 1956-57 (Preliminary)			
	Credits		Debits		Credits		Debits		Credits		Debits		Credits		Debits		Credits		Debits	
	Ver		Ver		Ver		Ver		Ver		Ver		Ver		Ver		Ver		Ver	
1. Merchandise																				
(a) Private	82.3	92.3	-10.0		68.8	85.7	-16.9		89.3	92.1	-2.8		91.5	83.4	8.1		331.9	353.5	-21.6	
(b) Government	0.5	11.1	-10.6		0.3	25.6	-25.3		0.3	41.3	-41.0		0.2	27.0	-26.8		1.3	105.0	-103.7	
2. Non-monetary Gold Movement																				
3. Foreign Travel	0.1	2.0	-1.9		0.4	2.1	-1.7		0.1	1.5	-1.4		0.6	0.7	-0.1		1.2	6.3	-5.1	
4. Transportation	6.2	2.2	4.0		6.7	2.4	4.3		7.4	2.1	5.3		8.0	1.9	6.1		28.3	8.6	19.7	
5. Insurance	1.9	1.8	0.1		2.0	1.4	0.6		1.8	1.1	0.7		1.8	1.3	0.5		7.5	5.6	1.9	
6. Investment Income	9.2	3.3	5.9		7.7	4.7	3.0		8.4	3.9	4.5		6.2	3.2	3.0		31.5	15.1	16.4	
7. Government, not included elsewhere	4.0	1.4	2.6		4.2	1.7	2.5		3.8	1.5	2.3		3.2	2.1	1.1		15.2	6.7	8.5	
8. Miscellaneous	7.2	2.9	4.3		5.3	2.8	2.5		6.0	2.4	3.6		7.2	2.7	4.5		25.7	10.8	14.9	
9. Donations																				
(i) Official	0.2		0.2		0.1		0.1		0.6		0.6		1.2		1.2		2.1		2.1	
(ii) Private	12.0	4.3	7.7		10.1	3.1	7.0		11.7	3.0	8.7		11.8	3.5	8.3		45.6	13.9	31.7	
10. Total Current Transactions	123.6	121.3	2.3		105.6	129.5	-23.9		129.4	148.9	-19.5		131.7	125.8	5.9		490.3	525.5	-35.2	

(Crores of Rupees)

STATEMENT 72—(Contd.)

DOLLAR AREA*

Item	April-June 1956			July-September 1956			October-December 1956			January-March 1957			Year 1956-57(Preliminary)			(Crores of Rupees)
	Credits		Net	Credits		Net	Credits		Net	Credits		Net	Credits		Net	
	Debits			Debits			Debits			Debits			Debits				Debits
1. Merchandise																
(a) Private	..	28.8	22.2 ÷ 6.6	26.8	23.8	+ 3.0	32.9	28.8	+ 4.1	32.6	23.5	+ 9.1	121.1	98.3	+ 22.8	
(b) Government	..	0.1	16.4 --16.3	0.3	14.0	--13.7	—	20.0	--20.0	—	49.8	--49.8	0.4	100.2	--99.8	
2. Non-monetary gold move- ment																
..	..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
3. Foreign Travel																
..	..	1.0	0.3 + 0.7	0.6	0.4	+ 0.2	1.1	0.2	+ 0.9	1.0	0.3	+ 0.7	3.7	1.2	+ 2.5	
4. Transportation																
..	..	1.1	0.4 + 0.7	1.1	0.4	+ 0.7	1.2	0.5	+ 0.7	1.3	1.0	+ 0.3	4.7	2.3	+ 2.4	
5. Insurance																
..	..	0.2	— + 0.2	0.4	—	+ 0.4	0.2	0.1	+ 0.1	0.1	0.1	—	0.9	0.2	+ 0.7	
6. Investment Income																
..	..	0.1	2.1 — 2.0	0.2	0.8	— 0.6	0.5	1.6	— 1.1	0.2	1.2	— 1.0	1.0	5.7	-- 4.7	
7. Government, not included elsewhere																
..	..	0.4	1.0 — 0.6	0.7	0.8	— 0.1	1.8	0.5	+ 1.3	2.1	1.1	+ 1.0	5.0	3.4	+ 1.6	
8. Miscellaneous																
..	..	0.7	1.8 — 1.1	0.7	1.6	— 0.9	6.7	1.8	— 1.1	0.9	1.3	— 0.4	3.0	6.5	— 3.5	
9. Donations																
(i) Official	..	9.3	— + 9.3	8.2	—	+ 8.2	6.9	—	+ 6.9	13.1	—	+ 13.1	37.5	—	+ 37.5	
(ii) Private	..	2.5	0.2 + 2.3	2.5	0.2	+ 2.3	2.1	0.1	+ 2.0	2.6	0.1	— 2.5	9.7	0.6	+ 9.1	
10. Total Current Transactions																
		44.2	44.4 — 0.2	41.5	42.0	— 0.5	47.4	53.6	— 6.2	53.9	78.4	--24.5	187.0	218.4	--31.4	

* Comprises the United States, other American Account Countries and Canada.

STATEMENT 72—(Contd.)

OEEC COUNTRIES

Item	April-June 1956				July-September 1956				October-December 1956				January-March 1957				Year: 1956-57 (Preliminary)			
	Credits		Debits		Credits		Debits		Credits		Debits		Credits		Debits		Credits		Debits	
	Net		Net		Net		Net		Net		Net		Net		Net		Net		Net	
1. Merchandise																				
(a) Private	15.3	52.0	—36.7	12.0	51.9	—39.9	18.2	54.1	—35.9	17.6	47.3	—	29.7	63.1	205.3	—142.2				
(b) Government	0.1	5.6	—5.5	—	10.1	—10.1	0.1	18.7	—18.6	—	24.2	—24.2	—	0.2	58.6	—58.4				
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
3. Foreign Travel	—	1.5	—1.5	—	1.2	—1.2	—	0.8	—0.8	0.1	0.3	—0.2	—	0.1	3.8	—3.7				
4. Transportation	1.0	0.9	+0.1	1.1	0.6	+0.5	1.5	0.7	+0.8	1.6	0.7	+0.9	—	5.2	2.9	+2.3				
5. Insurance	0.2	0.2	—	0.1	0.1	—	0.2	0.1	+0.1	0.1	0.1	—	—	0.6	0.5	+0.1				
6. Investment Income	—	0.5	—0.5	—	0.1	—0.1	0.2	0.2	—	0.1	0.4	—0.3	—	0.3	1.2	—0.9				
7. Government, not included elsewhere	0.3	0.7	—0.4	0.3	0.4	—0.1	0.5	0.6	—0.1	0.7	0.6	+0.1	—	1.8	2.3	—0.5				
8. Miscellaneous	0.9	0.5	+0.4	0.8	0.9	—0.1	1.0	0.7	+0.3	1.3	1.2	+0.1	—	4.0	3.3	+0.7				
9. Donations	—	—	—	—	—	—	0.1	—	+0.1	—	—	—	—	0.1	—	+0.1				
(i) Official	—	—	—	—	—	—	0.1	—	+0.1	—	—	—	—	0.1	—	+0.1				
(ii) Private	0.2	0.2	—	0.7	0.2	+0.5	0.2	0.2	—	0.3	0.2	+0.1	—	1.4	0.8	+0.6				
0. Total Current Transactions	18.0	62.1	—44.1	15.0	65.5	—50.5	22.0	76.1	—54.1	21.8	75.0	—53.2	—	76.8	278.7	—201.9				

(Crores of Rupees)

STATEMENT 72—(Contd.)

REST OF NON-STERLING AREA

Item	April-June 1956			July-September 1956			October-December 1956			January-March 1957			Year: 1956-57 (Preliminary)			(Crores of Rupees)	
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits
1. Merchandise																	
(a) Private	26.4	29.6	- 3.2	26.6	34.1	- 7.5	30.6	34.6	- 4.0	35.3	40.5	- 5.2	118.9	138.8	- 19.9		
(b) Government	—	1.0	- 1.0	—	1.4	- 1.4	0.1	4.4	- 4.3	—	10.0	- 10.0	0.1	16.8	- 16.7		
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
3. Foreign Travel	—	0.5	- 0.5	0.1	0.3	- 0.2	0.1	0.2	- 0.1	0.2	—	—	0.4	1.0	- 0.6		
4. Transportation	1.6	0.4	1.2	1.7	0.4	1.3	2.0	0.3	1.7	2.6	0.5	2.1	7.9	1.6	6.3		
5. Insurance	0.3	0.1	0.2	0.4	0.2	0.2	0.3	0.1	0.2	0.4	0.1	0.1	1.4	0.5	0.9		
6. Investment Income	—	0.1	- 0.1	0.1	0.1	—	0.1	—	0.1	—	0.1	0.1	0.2	0.3	- 0.1		
7. Government, not included elsewhere	0.7	0.4	0.3	0.7	0.4	0.3	1.0	0.3	0.7	1.2	0.6	0.6	3.6	1.7	1.9		
8. Miscellaneous	1.1	0.7	0.4	0.7	0.2	0.5	0.8	0.3	0.5	2.0	0.2	1.3	4.6	1.4	3.2		
9. Donations																	
(i) Official	0.1	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—		
(ii) Private	0.2	0.1	0.1	0.3	—	0.3	0.3	0.1	0.2	0.4	0.1	0.3	0.1	1.2	0.3	0.6	0.1
10. Total Current Transactions	30.4	32.9	- 2.5	30.6	37.1	- 6.5	35.3	40.3	- 5.0	42.1	52.1	- 10.0	138.4	162.4	- 24.0		

STATEMENT 73

INDEX NUMBERS OF EXPORTS AND IMPORTS

(D.G.C.I. & S. series)

(Base: 1952-53 = 100)

Period	Exports				Imports				Net Terms of Trade*	
	Food, Drink and Tobacco	Raw Materials	Manufactured Articles	General	Food, Drink and Tobacco	Raw Materials	Manufactured Articles	General		
Volume Index										
1953-54	..	98	72	116	100	54	100	113	93	
1954-55	..	107	82	117	105	78	105	130	110	
1955-56	..	101	123	117	115	38	99	180	116	
January	1956	122	95	95	102	48	83	204	124	
February	..	107	125	113	114	53	110	223	142	
March	..	135	150	121	132	38	161	217	150	
April	..	78	78	108	93	23	79	218	121	
May	..	91	93	120	106	21	89	253	139	
June	..	101	90	117	105	24	89	226	128	
July	..	101	63	114	96	17	78	223	122	
August	..	127	63	131	112	34	93	228	134	
September	..	139	71	107	106	26	129	257	154	
October	..	130	67	121	108	28	97	251	143	
November	..	125	73	142	120	24	73	257	136	
December	..	121	93	124	114	29	143	196	134	
Average Value Index										
1953-54	..	106	100	83	92	101	96	87	92	100
1954-55	..	129	99	82	98	86	95	86	89	110
1955-56	..	111	90	80	90	89	93	85	87	103
January	1956	113	95	81	95	76	94	84	85	112
February	..	112	98	79	93	88	92	84	86	108
March	..	101	98	77	90	89	95	86	89	101
April	..	119	91	75	88	92	97	85	88	100
May	..	105	100	76	88	92	102	85	89	99
June	..	111	102	76	91	83	97	88	90	101
July	..	105	109	76	90	90	95	85	87	103
August	..	125	104	73	93	90	94	88	89	101
September	..	125	104	75	97	98	97	86	89	109
October	..	135	113	78	102	93	93	88	89	115
November	..	132	106	78	97	103	93	91	92	105
December	..	129	113	82	102	96	98	90	93	110

* Ratio of export price index to import price index.

STATE
INDIA'S IMPORTS* OF
(Sea, Air)

Commodities	January-March 1956			April-June 1956			July-September 1956		
	Dollar Area	Others	Total	Dollar Area	Others	Total	Dollar Area	Others	Total
<i>Class I</i>									
Fruits and Vegetables	—	6,24	6,24	—	2,48	2,48	—	2,09	2,09
Grain, Pulse and Flour	65	2,54	3,19	—	28	28	21	29	50
Provisions and Oilman's Stores ..	1,73	2,13	3,86	97	2,45	3,42	1,16	3,01	4,17
Spices	—	1,57	1,57	—	1,92	1,92	—	2,50	2,50
Tobacco	11	11	22	18	16	34	10	5	15
Others	—	1,68	1,68	1	97	98	—	1,57	1,57
Total for the Group	2,49	14,27	16,76	1,16	8,26	9,42	1,47	9,51	10,98
<i>Class II</i>									
Other non-metallic mining and quarry products and the like ..	7	1,28	1,35	11	1,18	1,29	7	1,46	1,53
Oils, vegetable, mineral and animal	1,29	17,84	19,13	1,52	10,33	11,85	1,48	19,66	21,14
Cotton, raw and waste	15	18,21	18,36	41	14,64	15,05	42	8,85	9,27
Wool, raw and waste	—	2,05	2,05	—	3,36	3,36	—	2,64	2,64
Jute, raw	—	6,46	6,46	—	2,52	2,52	—	1,80	1,80
Others	90	7,22	8,12	70	6,80	7,50	85	10,73	11,58
Total for the Group	2,41	53,06	55,47	2,74	38,83	41,57	2,82	45,14	47,96
<i>Class III</i>									
Chemicals, drugs and medicines ..	2,15	8,06	10,21	2,16	8,95	11,11	1,93	7,93	9,86
Cutlery, hardware etc.	76	5,89	6,65	84	5,76	6,60	94	6,10	7,04
Dyes and colours	20	4,08	4,28	28	4,05	4,33	16	3,72	3,88
Electrical goods and apparatus ..	26	4,46	4,72	31	4,95	5,26	35	4,40	4,75
Machinery of all kinds	5,10	29,24	34,34	6,35	31,37	37,72	6,00	33,75	39,75
Metals, iron and steel and manufactures thereof	3,06	20,95	24,01	2,84	29,71	32,55	2,41	29,74	32,15
Metals, other than iron and steel and manufactures thereof	1,24	5,88	7,12	1,90	6,48	8,38	2,95	7,35	10,30
Paper, Pasteboard and stationery ..	20	4,30	4,50	24	3,75	3,99	29	3,68	3,97
Vehicles	6,51	8,77	15,28	4,16	11,55	15,71	5,05	11,31	16,36
Cotton yarns and manufactures ..	—	1,52	1,52	1	1,44	1,45	7	1,22	1,29
Woollen yarns and manufactures ..	1	47	48	1	52	53	—	76	76
Other yarns and textile fabrics ..	—	4,18	4,18	1	5,46	5,47	3	5,53	5,56
Others	69	4,86	5,55	92	5,45	6,37	74	6,09	6,83
Total for the Group	20,18	102,66	122,84	20,03	119,44	139,47	20,92	121,58	142,50
GRAND TOTAL@	25,20	170,96	196,16	24,01	168,41	192,42	25,32	176,49	201,81

* Including transit trade. **Provisional.

@Includes small amounts pertaining to Classes IV and V.

Source : Director-General of Commercial Intelligence and Statistics.

MENT 74

PRINCIPAL COMMODITIES**

and Land)

(Lakhs of Rupees)

October-December 1956			April 1955-March 1956			January-December 1956			January-December 1955		
Dollar Area	Others	Total	Dollar Area	Others	Total	Dollar Area	Others	Total	Dollar Area	Others	Total
1	4,26	4,27	—	14,69	14,69	1	15,07	15,08	—	13,00	13,00
16	41	57	4,82	12,87	17,69	1,02	3,52	4,54	5,47	29,74	35,21
46	2,86	3,32	3,95	8,72	12,67	4,32	10,45	14,77	2,65	9,10	11,75
—	2,12	2,12	—	6,32	6,32	—	8,11	8,11	—	5,63	5,63
26	5	31	1,17	30	1,47	65	37	1,02	1,34	31	1,65
—	1,29	1,29	69	10,16	10,85	1	5,51	5,52	2,74	15,15	17,89
89	10,99	11,88	10,63	53,06	63,69	6,01	43,03	49,04	12,20	72,93	85,13
10	2,05	2,15	1,12	5,04	7,16	35	5,97	6,32	1,38	6,48	7,86
1,29	29,05	30,34	7,93	74,72	82,65	5,58	76,88	82,46	9,03	73,36	82,39
4,45	6,49	10,94	1,14	56,21	57,35	5,43	48,19	53,62	5,23	48,27	53,50
—	1,82	1,82	—	8,88	8,88	—	9,87	9,87	—	8,89	8,89
—	3,05	3,05	—	19,33	19,33	—	13,83	13,83	—	17,43	17,43
72	8,74	9,46	2,65	26,42	29,07	3,17	33,49	36,66	2,19	23,39	25,58
6,56	51,20	57,76	12,84	191,60	204,44	14,53	188,23	202,76	17,83	177,82	195,65
1,88	8,90	10,78	8,14	29,35	37,49	8,12	33,84	41,96	7,78	27,01	34,79
78	6,00	6,78	2,93	21,17	24,10	3,32	23,75	27,07	2,75	20,12	22,87
23	3,80	4,03	1,03	16,70	17,73	87	15,65	16,52	1,04	17,22	18,26
32	5,09	5,41	1,15	14,49	15,64	1,24	18,90	20,14	1,24	12,96	14,20
5,72	32,58	38,30	18,13	102,47	120,60	23,17	126,94	150,11	16,78	93,25	110,03
2,03	31,68	33,71	9,92	57,65	67,57	10,34	112,08	122,42	7,82	44,36	52,18
3,42	6,75	10,17	5,10	20,15	25,25	9,51	26,46	35,97	6,04	18,81	24,85
36	3,16	3,52	1,31	15,05	16,36	1,09	14,89	15,98	1,24	14,07	15,31
4,43	15,32	19,75	23,08	36,58	59,66	20,15	46,95	67,10	21,10	31,94	53,04
2	1,51	1,53	4	4,33	4,37	10	5,69	5,79	3	3,40	3,43
—	97	97	1	2,98	2,99	2	2,72	2,74	—	3,02	3,02
—	4,65	4,65	2	17,86	17,88	4	19,82	19,86	1	16,72	16,95
93	6,32	7,25	2,97	19,36	22,33	3,28	22,72	26,00	2,79	18,16	20,73
23,12	125,73	145,85	73,83	358,14	431,97	81,25	470,41	551,66	68,62	321,04	389,66
27,80	190,14	217,94	97,61	606,01	703,62	102,33	706,00	808,33	98,86	574,20	673,06

STATE

INDIA'S EXPORTS† (1)

(By Sea, Air

Commodities	January-March 1956			April-June 1956			July-September 1956		
	Dollar Area	Others	Total	Dollar Area	Others	Total	Dollar Area	Others	Total
<i>Class I</i>									
Fruits and vegetables	2,86	1,18	4,04	3,71	1,50	5,21	2,95	1,85	4,80
Spices	1,01	2,40	3,41	45	1,49	1,94	50	1,32	1,82
Tea	3,66	30,73	34,39	2,33	18,58	20,91	4,13	33,28	37,41
Tobacco		1,52	1,52		3,63	3,63		6,68	6,68
Others	14	5,07	5,21	3	5,60	5,63	10	4,19	4,29
Total for the Group	7,67	40,90	48,57	6,52	30,80	37,32	7,68	47,32	55,00
<i>Class II</i>									
Mica and other non-metallic, mining and quarry products and the like..	1,49	1,79	3,28	1,00	1,84	2,84	1,02	1,66	2,68
Gums, resins and lac	89	1,67	2,56	1,06	1,68	2,74	1,01	1,54	2,55
Hides and skins, raw	65	1,26	1,91	65	92	1,57	22	53	75
Metallic ores and scrap iron or steel for re-manufacture††	67	1,47	2,14	2,33	5,00	7,33	2,11	7,27	9,38
Oils, vegetable, mineral and animal..	32	9,12	9,44	1,26	7,08	8,34	1,05	1,69	2,74
Seeds	29	1,10	1,39	4	16	20	2	23	25
Cotton, raw and waste	29	11,77	12,06	14	5,36	5,50	10	3,40	3,50
Wool, raw and waste	1,42	1,95	3,37	1,21	93	2,14	58	1,90	2,48
Others	70	5,02	5,72	55	4,10	4,65	58	4,68	5,26
Total for the Group	6,72	35,15	41,87	8,24	27,07	35,31	6,69	22,90	29,59
<i>Class III</i>									
Hides and skins, tanned or dressed and leather	29	6,26	6,55	22	4,67	4,89	21	4,54	4,75
Cotton yarns and manufactures ..	54	15,51	16,05	41	14,62	15,03	43	13,68	14,11
Jute yarns and manufactures ..	9,27	15,17	24,44	10,33	16,99	27,32	12,71	16,28	28,99
Woollen yarns and manufactures ..	25	78	1,03	29	82	1,11	36	68	1,04
Others	60	9,66	10,35	84	8,71	9,55	93	8,28	9,21
Total for the Group	11,04	47,38	58,42	12,09	45,81	57,90	14,64	43,46	58,10
GRAND TOTAL*	25,56	124,30	149,86	27,00	104,41	131,41	29,20	114,80	144,00

†Indian Merchandise. ††Provisional. *Includes small amounts pertaining to Classes IV and V.
Source : Director-General of Commercial Intelligence and Statistics.

MENT 75**PRINCIPAL COMMODITIES ††**

and Land)

(Lakhs of Rupees)

October-December 1956			April 1955-March 1956			January-December 1956			January-December 1955		
Dollar Area	Others	Total	Dollar Area	Others	Total	Dollar Area	Others	Total	Dollar Area	Others	Total
2,26	1,75	4,01	11,25	4,04	15,29	11,78	6,28	18,06	10,14	3,95	14,09
33	1,73	2,06	2,96	7,73	10,69	2,29	6,94	9,23	3,39	7,20	10,59
4,22	45,91	50,13	11,51	98,14	109,65	14,34	128,50	142,84	13,11	100,51	113,62
—	1,48	1,48	—	11,83	11,83	—	13,31	13,31	—	13,35	13,35
15	4,68	4,83	22	19,48	19,70	42	19,54	19,96	11	20,21	20,32
6,96	55,55	62,51	25,94	141,22	167,16	28,83	174,57	203,40	26,75	145,22	171,97
1,37	1,84	3,21	4,68	6,29	10,97	4,88	7,13	12,01	4,58	6,18	10,76
89	2,45	3,34	5,17	7,83	13,00	3,85	7,34	11,19	5,23	8,62	13,85
30	1,54	1,84	2,49	4,10	6,59	1,82	4,25	6,07	2,45	4,28	6,73
3,29	7,95	11,24	4,77	20,76	25,53	8,40	21,69	30,09	4,24	19,48	23,72
1,30	2,68	3,98	3,61	35,87	39,48	3,93	20,57	24,50	4,72	37,42	42,14
6	16	22	1,35	2,81	4,16	41	1,65	2,06	2,36	2,95	5,31
21	3,82	4,03	1,35	38,05	39,40	74	24,35	25,09	1,81	32,88	34,69
39	2,26	2,65	3,93	5,81	9,74	3,60	7,04	10,64	3,35	4,75	8,10
53	4,76	5,29	2,52	22,96	25,48	2,36	18,56	20,92	2,31	23,59	25,90
8,34	27,46	35,80	29,87	144,48	174,35	29,99	112,58	142,57	31,05	140,15	171,20
24	6,05	6,29	92	22,07	22,99	96	21,52	22,48	79	21,77	22,56
45	16,66	17,11	1,87	61,67	63,54	1,83	60,47	62,30	1,75	62,06	63,81
14,09	18,64	32,73	44,50	72,79	117,29	46,40	67,08	113,48	47,13	76,44	123,57
29	88	1,17	98	3,23	4,21	1,19	3,16	4,35	91	3,41	4,32
97	9,94	10,91	3,73	36,77	40,50	3,43	36,59	40,02	3,84	36,88	40,72
16,04	52,17	68,21	52,00	196,53	248,53	53,81	188,82	242,63	54,42	200,56	254,98
31,59	136,41	168,00	108,17	486,20	594,37	113,35	479,92	593,27	112,56	489,70	602,26

STATEMENT 76

MAJOR CHANGES IN IMPORT CONTROLS AND IMPORT POLICY, 1956-57


Item	Date of Announcement	Details
Raw cotton	April 1956	Decision to allow imports of raw cotton of staple length 7/8 to 1-1/16 inches upto a ceiling of 40,000 bales from the Dollar and non-Dollar areas. The licences issued in accordance with this decision were to be on the basis of 'first-come, first-served' and would be valid upto June 30, 1956.
	May 1956	Decision to issue licences valid during the period July to December 1956 for the import of U.S. raw cotton of staple length 1-1/16 inches and above against prior sale to mills or to mills for direct imports on production of evidence of purchase from overseas suppliers.
	June 1956	Suspension of the issue of import licences to be granted in terms of the announcement of May 1956 in respect of raw cotton from the U.S.A.
	June 1956	Decision not to permit imports of any variety of raw cotton other than the Egyptian varieties, 'Karnak' and 'Menoufi' during the licensing period July to December 1956.
	July 1956	In modification of the announcement of June 1956, the licensing of U. S. cotton stapling 1-1/16 inches and above was resumed upto a monetary ceiling.
	August 1956	Decision to issue licences for the import of raw cotton of stapling 1-3/16 inches and above from the soft currency area.
	November 1956	Issue of licences for the import of 1.5 lakh bales of American cotton of 1-1/16 inches stapling and above, in terms of the surplus sales agreement with the U.S.A. Licences would be issued against contracts made after November 7, 1956 and upto July 31, 1957.
	January 1957	Decision to continue the issue of licences for import of raw cotton stapling 1-3/16 inches and above from soft currency areas within a limited ceiling during the current licensing period January to June 1957.
Silver coins	May 1956	Decision to license freely imports of silver coins current in the Tibet region of China.
Import Policy for July-December 1956	June 1956	For the purpose of a closer integration between imports and planned industrial development and to effect savings in foreign exchange, the import policy for the half year July-December 1956 was adopted as follows: (1) further liberalisation of imports of certain kinds of machinery, spare parts and industrial raw materials, (2) restriction of imports of items produced internally in adequate quantities, and (3) extension of the basic period so as to cover 1954-55 for 168 items and 1955-56 for another 58 items. Among items whose imports were liberalised were ball bearings, small tools and garage tools, cotton yarn of 60 counts and above, (quotas being raised from 60 to 75 per cent), umbrella ribs, dyes, black sulphur, component parts of textile machinery and motor vehicles. Import quotas for 73 items including art silk fabrics, woollen manufactures, sheet and plate glass, buttons etc. were reduced and for 31 items such as cardamoms, currants, watches, etc. have been deleted from the Liberal Licensing List.
Automobile tyres etc.	July 1956	Decision to allow a reasonable quantity of imports of automobile and cycle tyres and tubes.
Raw rubber	August 1956	Decision to permit actual users to import certain varieties of raw rubber.

STATEMENT 76—(Contd.)

Open General Licences XLIV, XLV and XLVII	September 1956	OGLS XLIV and XLV valid upto the end of June 1957 replaced OGLS XXXIX and XL, relating to the imports from the general and soft currency areas, respectively, with effect from October 1, 1956. As a result, raw hemp, certain types of electrical generators and generating sets, paper insulated cables, electro-medical apparatus etc. were transferred from the General OGL to the licensing list. Certain items like ship chains, raw sisal fibre, dates, cutch and pulses were removed from the soft currency OGL. Items added to the OGLS included oxygen-breathing apparatus, air-respirators and mechanical respirators required as protective equipment for factory workers. Commodities listed in OGL XLI, applicable to Persian Gulf Sheikdoms and due to expire on September 30, 1956 were also brought within the purview of the import policy for July-December 1956.
	August 1956	Extension of the validity of OGL XLIII applicable to imports from Pakistan by two months from August 31, 1956.
	October 1956	Further extension of the validity of the above O.G.L. upto the end of January 1957.
	January 1957	Issue of a new OGL XLVII for imports from Pakistan valid for two months upto March 31, 1957.
	March 1957	Extension of the above OGL upto the end of June 1957.
Import Policy January-June 1957	December 1956	In view of the rapid decline in foreign exchange reserves due to heavy imports of capital goods, industrial raw materials and iron and steel during the preceding months a restrictive policy was announced, its salient features being (1) reduction in the quotas for 509 items including fruits, certain spices, betel nuts, tallow, liquors, cigars and cigarettes, toilet requisites, lead pencils, paper items, woollen, cotton and art silk fabrics, cutlery, sheet and plate glass, cycles, coal-tar dyes and certain machinery items; and (2) dropping the liberal licensing scheme, and curtailment of facilities to newcomers. As against this, quotas for very essential items like ball-bearings, small tools and certain chemicals were somewhat liberalised and raw sisal fibre, aloe fibre, sisal yarn, coral unprepared, ivory unmanufactured, canes and rattans etc. were added to the Export Promotion Scheme list.
	January 1957	Letter from the Secretary, Ministry of Heavy Industries to the Chambers of Commerce and Industry indicating a restrictive policy in regard to imports of capital goods and proposing facilities for imports under deferred payment arrangements.
Capital Goods	January 1957	
	March 1957	The policy in regard to deferred payment arrangement in respect of capital goods was elucidated as follows: Applications for capital goods imports to be considered generally under either of the alternatives: (1) total payment prior to shipment not amounting to more than 20% of the f.o.b. value of the plant and equipment, the remainder being payable in 7 annual instalments thereafter, or (2) initial payment limited to 10%, the balance being payable after commencement of production and not exceeding the net saving in, or earning of, foreign exchange which the project would achieve thereafter. Cases where deferred payment arrangements would not be necessary are: (1) where total value of imported plant and equipment would be less than Rs. 5 lakhs; (2) where the value of the equipment would be 10% or less of the value of the machinery installed or covered by an import licence or available from indigenous sources and is essential for the completion of such plant; (3) where the equipment is required for replacement or maintenance; (4) where the aggregate value of the equipment imported would be less than the amount of fresh foreign capital coming in for the project; and (5) where the equipment is needed for constructional purposes.

STATEMENT 77

SOME IMPORTANT EXPORT CONTROL ANNOUNCEMENTS, 1956-57

Item	Date of announcement	Details
Raw Cotton	August 29, 1956	Release of a quota of 20,000 bales of Bengal Deshi to all permissible destinations excluding Tibet and Portuguese Possessions in India upto the end of December 1956.
	September 7, 1956	Decision to licence freely for export Assams, Comillas, Zoda cotton, Cotton pickings and sweepings, Yellow pickings and Cotton linters during the 1956-57 cotton season to all permissible destinations other than Tibet and Portuguese Possessions in India. Export of coconada cotton not allowed.
	December 5, 1956	Release of a quota of 2 lakh bales of raw cotton comprising 0.5 lakh bales of Bengal Deshi and 1.5 lakh bales of Indian cotton of staple length $\frac{3}{4}$ inches and below other than Bengal Deshi and Coconadas. Licences valid for shipment till June 30, 1957, would be issued to all permissible destinations excluding Tibet and Portuguese Possessions in India.
	February 6 and 7, 1957	Release of a further quota of 2 lakh bales of raw cotton comprising 0.5 lakh bales of Bengal Deshi and 1.5 lakh bales of Indian cotton of staple length $\frac{3}{4}$ inches and below other than Bengal Deshi and Coconadas. Licences valid for shipment till June 30, 1957, would be issued to all permissible destinations excluding Tibet and Portuguese Possessions in India.
	March 30, 1957	Decision not to allow any further sales of raw cotton against licences issued in terms of the notifications of December 5, 1956 and February 6 and 7, 1957 and not to issue further licences for export in terms of these notifications.
Cotton waste, soft including slivers, roving ends and bondas.	June 8, 1956	Decision to continue free licensing of cotton waste, soft including slivers, roving ends and bondas upto December 31, 1956; later extended upto the end of June 1957 on December 28, 1956.
Cotton Piecegoods	May 9, 1956	 Extension of free licensing of all varieties of cotton piecegoods (mill made and power loom) and cotton manufactures, including cotton waste blankets other than the restricted varieties to all permissible destinations excepting Nepal, Tibet, Bhutan, Sikkim and Portuguese Possessions in India, upto December 31, 1956; later extended upto June 30, 1957, on October 29, 1956.

STATEMENT 77 --- (Contd.)

Item	Date of announcement	Details
Raw Wool	April 3, 1956	Export Quotas for the half-year April-September 1956 to be at 35% of their best half year's exports, subject to a minimum individual allotment of 50 bales for established shippers. To new comers allotment to the extent of the quantities shipped by them against October 1955 to March 1956 period, subject to an individual minimum of 25 bales.
	October 3, 1956	Quotas for the period October 1956 to March 1957, to be at 45% of the best half year's exports subject to an individual minimum of 100 bales for established shippers, 100 bales for established new comers and 25 bales for fresh new comers.
Linseed oil Cottonseed oil and Castor oil.	January 2, 1957	Free licensing to be continued.
<i>Ores :</i>		
Iron and Manganese ores	July 30, 1956	Announcement of policy for the export of iron and manganese ores during the half-year July-December 1956, in terms of which quotas were given to mine-owners and shippers on the basis of two-thirds of their quotas during the period July-December 1955.
	September 4, 1956	In modification of the policy announced on July 30, 1956, the quotas were doubled and the validity of the quotas extended upto the end of June 1957.
	October 22, 1956	Quotas for the State Trading Corporation would be issued within a ceiling of $\frac{1}{3}$ of the total quantity to be allowed for export during this period.
Sugar	January 1957	Decision to permit exports of ore originating in the Srikakulam Garividi and Salur areas freely from the port of Vishakhapatnam on the production of (i) copies of railway receipt certifying that the ore has been transported from these areas, (ii) an affidavit that the ore was not blended with that of any other region and (iii) contract with overseas buyers.
	March 1957	Release of 50 thousand tons of sugar for export.
Tea	December 1956	Release of another 50 thousand tons raising the total to 1 lakh tons.
	February 1957.	Announcement of export quota of 443.3 million lbs. for 1956-57.
		Quota raised by 10 million lbs. to 453.3 million lbs.

STATEMENT 78

EXPORTS OF GUNNY CLOTH AND GUNNY BAGS TO PRINCIPAL COUNTRIES

(By Sea, Air and Land)

(Thousand Tons)

(Lakhs of Rupees)

Jan.-March 1956		April-June 1956		July-Sept. 1956		Oct.-Dec. 1956		April 1955- March 1956		Jan.-Dec. 1955		Jan.-Dec. 1956	
Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.

GUNNY CLOTH

Sterling Area Countries :

U.K.	..	12.4	1,81	6.1	88	13.6	1,84	13.0	2,03	35.5	5,35	41.9	6,82	44.5	6,56
Australia	..	3.7	59	3.5	55	3.6	57	3.3	54	15.2	2,57	15.4	2,70	14.1	2,25
New Zealand	..	0.5	9	0.7	12	0.8	13	1.0	17	3.5	61	3.9	70	3.0	51

Other Soft Currency
Countries :

Egypt	..	1.5	18	1.5	18	0.4	5	0.5	7	5.1	65	5.2	65	3.9	48
Uruguay	..	0.2	3	4.4	62	5.1	71	0.8	13	8.7	1,46	9.5	1,61	10.5	1,49
Argentina	..	0.9	13	0.8	13	14.1	1,92	19.9	2,83	62.9	10,48	61.8	10,33	35.7	5,04

Dollar Countries :

U.S.A.	..	41.6	6,52	48.1	7,30	45.2	7,00	56.4	9,15	173.3	28,87	174.4	29,95	191.3	29,97
Canada	..	8.6	1,30	9.4	1,37	12.0	1,68	5.4	87	31.9	5,02	30.9	4,99	35.4	5,22
Total (including others)		74.9	11,47	86.1	12,77	100.9	14,88	108.8	17,09	362.5	59,08	367.7	61,68	370.7	56,21

GUNNY BAGS

Sterling Area Countries :

U.K.	..	4.8	64	4.4	63	4.2	53	2.4	31	17.9	2,48	17.9	2,57	15.8	2,16
Australia	..	24.0	2,38	24.6	2,25	24.4	2,65	18.7	2,23	106.0	11,20	104.7	11,60	91.7	9,51
Burma	..	5.6	65	8.5	96	9.1	1,01	6.3	78	23.2	2,88	20.8	2,58	29.5	3,40
Nigeria	..	3.2	36	7.8	84	5.1	55	1.7	19	17.1	2,06	17.3	2,14	17.8	1,94

Other Soft Currency
Countries :

Egypt	..	3.7	49	10.6	1,36	9.6	1,12	2.6	29	26.1	3,29	25.2	3,31	26.5	3,26
Peru	..	1.8	20	3.1	37	3.4	37	3.5	38	11.5	1,35	11.4	1,41	11.8	1,32
Thailand	..	6.1	68	1.0	12	1.4	15	2.0	24	17.1	1,96	17.5	2,20	10.5	1,19

Dollar Countries :

U.S.A.	..	0.2	5*	0.4	5	0.5	6	0.1	1	0.8	12	0.5	9	1.2	17
Cuba	..	1.3	21	0.7	9	17.3	1,94	21.8	2,48	35.4	4,23	36.0	4,32	41.1	4,72
Total (including others)		95.9	11,02	113.9	12,87	109.3	12,35	121.5	14,65	452.4	54,19	457.5	46,61	440.6	50,89

Q - Quantity.

V - Value.

Source—Accounts relating to the Foreign Trade and Navigation of India.

STATEMENT 79

EXPORTS OF COTTON PIECEGOODS* TO PRINCIPAL COUNTRIES

(By Sea, Air and Land)

Principal countries	(Millions of yards) (Lakhs of Rupees)													
	Jan.-Mar. 1956		April-June 1956		July-Sept. 1956		Oct.-Dec. 1956		Apr. 1955- Mar. 1956		Jan.-Dec. 1955		Jan.-Dec. 1956	
	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.
<i>Sterling Area Countries :</i>														
United Kingdom ..	25.5	182	22.6	160	19.9	163	23.0	174	81.3	6.05	85.7	6.40	91.0	6.79
Malaya (including Singapore) ..	11.2	79	7.5	58	6.4	5	13.3	92	35.1	2.48	35.6	2.53	38.9	2.82
Aden ..	7.3	51	9.3	61	6.4	41	15.2	96	38.1	2.45	44.1	2.77	38.2	2.49
Ceylon ..	5.1	45	5.1	44	6.8	54	6.3	59	22.1	1.89	21.5	1.83	23.8	2.02
Nigeria ..	10.1	62	8.3	58	13.0	87	10.0	74	53.6	3.53	53.5	3.57	41.9	2.81
Tanganyika Territory	3.2	21	8.3	61	5.3	41	3.6	27	26.2	1.85	26.7	1.90	20.4	1.50
Kenya ..	7.3	49	10.6	71	9.6	68	11.5	98	34.5	2.41	33.2	2.35	42.0	2.86
Australia ..	10.2	90	10.2	98	9.3	87	10.6	101	41.2	3.94	41.5	4.07	40.3	3.76
Burma ..	8.1	61	2.1	14	0.2	2	6.6	52	12.1	87	10.7	70	17.0	1.29
<i>Other Soft Currency Countries :</i>														
Sudan ..	18.8	91	24.1	120	15.5	71	26.9	130	64.3	3.14	63.7	3.12	85.3	4.12
Afghanistan ..	4.8	34	3.5	26	1.7	12	1.5	13	12.5	88	13.2	92	11.5	85
Total (including others)	169.1	11.74	172.1	12.00	149.4	10.87	193.2	13.70	680.3	48.17	692.4	49.34	683.8	48.31

* Mill-made piece-goods only. Q = Quantity, V = Value.

Source : Accounts relating to the Foreign Trade and Navigation of India.

STATEMENT 80

EXPORTS OF TEA TO PRINCIPAL COUNTRIES

(By Sea, Air and Land)

(Millions of Lbs.)
(Lakhs of Rupees)

Principal countries	(Millions of Lbs.) (Lakhs of Rupees)													
	Jan.-Mar. 1956		April-June 1956		July-Sept. 1956		Oct.-Dec. 1956		April 1955- Mar. 1956		Jan.-Dec. 1955		Jan.-Dec. 1956	
	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.
<i>Sterling Area Countries:</i>														
U.K. ..	96.5	23.70	64.8	15.32	92.2	26.80	111.9	33.06	282.4	74.42	251.0	73.96	365.4	98.88
Irish Republic ..	6.3	1.46	—	—	1.6	40	8.8	2.56	19.7	5.62	17.9	5.81	16.7	4.42
Australia ..	2.6	61	1.4	33	1.9	42	3.5	93	6.2	1.50	6.1	1.84	9.4	2.51
Kuwait ..	0.6	15	0.4	9	0.9	20	0.9	20	2.7	73	3.7	1.32	2.8	64
<i>Other Soft Currency Countries :</i>														
Netherlands ..	2.0	43	1.0	25	0.8	25	1.1	35	4.1	1.04	3.0	84	4.9	1.28
Sudan ..	0.1	2	2.1	37	2.2	39	2.3	40	2.9	67	3.2	77	6.7	1.18
Chile ..	—	—	—	1	—	—	0.1	3	—	—	1.2	51	0.1	4
Egypt ..	5.6	1.49	3.6	94	7.0	1.88	7.0	2.02	14.7	4.09	12.8	4.20	23.2	6.33
<i>Dollar Countries :</i>														
U.S.A. ..	9.3	2.22	4.6	1.18	6.7	2.07	7.8	2.37	25.5	6.78	24.1	7.73	28.4	7.84
Canada ..	5.8	1.44	4.2	1.14	6.8	2.07	5.7	1.86	17.2	4.71	16.2	5.38	22.5	6.51
Total *(including others)	138.5	34.39	86.8	20.91	129.1	37.41	169.2	50.13	405.2	109.65	377.7	113.62	523.6	142.84

* Total includes tea green and tea black. Q = Quantity, V = Value.

Source : Accounts relating to the Foreign Trade and Navigation of India.

STATEMENT 81

CHANGES IN EXPORT DUTIES, 1956-57

Item	Unit	From	To	Effective from
<i>Vegetable Oils :</i>				
Linseed oil	Ton	Nil	Rs. 250	April 11, 1956
" "	"	Rs. 250	Nil	September 22, 1956
Niger seed oil	"	Nil	Rs. 200	April 11, 1956
Kardi seed oil	"	Nil	Rs. 200	April 11, 1956
Castor oil	"	Rs. 125	Rs. 175	April 11, 1956
<i>Cotton Manufactures :</i>				
Coarse cloth		6½% <i>ad valorem</i>	Nil	May 15, 1956
<i>Raw Cotton :</i>				
Bengal Deshi	Bale	Rs. 50	Rs. 100	December 1, 1956
Tea	Lb.	Re. 0.37	Re. 0.50	December 1, 1956
"	"	Re. 0.50	Re. 0.37	February 1, 1957
<i>Ores :</i>				
Manganese Ore	..	Nil	Slab rates as under :	August 31, 1956
(i) Ore with manganese content upto 38%			Nil	
(ii) Ore with manganese content over 38% and upto 40%			Rs. 10 per ton	
(iii) Ore with manganese content over 40% and upto 44%			Rs. 20 ..	
(iv) Ore with manganese content over 44%			Rs. 30 ..	

STATEMENT 82**INDIA'S FOREIGN EXCHANGE RESERVES**

(Lakhs of Rupees)

End of				Assets*	Liabilities†	Net Assets	Movement of Net Assets
1951-52	..	..	..	795,34	140,75	654,59	- 180,27
1952-53	..	..	..	813,79	102,79	711,00	- 56,41
1953-54	..	..	..	844,78	87,07	757,71	- 46,71
1954-55	..	..	..	827,64	75,81	751,83	- 5,88
1955-56	..	..	..	842,60	80,86	761,74	- 9,91
1956-57†	..	..	..	701,42	117,88	583,54	-178,20
April 1955	..	..	..	814,65	70,81	743,84	- 7,99
May	..	..	..	814,22	67,25	746,97	- 3,13
June	..	..	..	816,73	66,33	750,40	- 3,43
July	..	..	..	815,03	54,47	760,56	- 10,16
August	..	..	..	816,40	54,75	761,65	- 1,09
September	..	..	..	819,02	53,21	765,81	- 4,16
October	..	..	..	815,00	51,45	763,55	- 2,26
November	..	..	..	819,32	51,68	767,64	- 4,09
December	..	..	..	827,27	54,55	772,72	- 5,08
January 1956	..	..	..	827,68	63,08	764,60	- 8,12
February	..	..	..	830,88	64,12	766,76	- 2,16
March	..	..	..	842,60	80,86	761,74	- 5,02
April	..	..	..	818,38	67,02	751,36	- 10,38
May	..	..	..	802,06	66,26	735,80	- 15,56
June	..	..	..	782,44	64,51	717,93	- 17,87
July	..	..	..	751,40	56,41	694,99	- 22,94
August	..	..	..	731,22	54,95	676,27	- 18,72
September	..	..	..	713,19	61,33	651,86	- 24,41
October	..	..	..	746,94	58,49	688,45	- 36,59
November	..	..	..	713,69	56,11	657,58	- 30,87
December	..	..	..	703,61	59,13	644,48	- 13,10
January 1957	..	..	..	684,61	54,09	630,52	- 13,96
February	..	..	..	690,99	81,03	609,96	- 20,56
March	..	..	..	701,42	117,88	583,54	- 26,42

*Include (a) 7.1 million ounces of gold held by the Reserve Bank of India, valued till October 5, 1956 at Rs. 21.24 per tola and at Rs. 62.50 per tola thereafter as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956, (b) foreign assets of the Reserve Bank of India and authorised dealers and (c) Government balances held abroad.

†Include liabilities of the Reserve Bank of India and authorised dealers to non-resident official institutions and banks. †Data for 1956-57 include net borrowing from the I.M.F. of \$115 million (Rs. 55 crores).

STATE

STIRLING TRANSACTIONS OF 1956

FORWARD CONTRACTS

		Purchases†		Sales*		Purchases (—) Net Sales(—)	
		£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs
1	1951-52	189,862	253,15	71,875	95,92	117,987	157,23
2	1952-53	118,355	157,81	8,250	11,01	110,105	146,80
3	1953-54	103,170	137,56	3,575	4,77	99,595	132,79
4	1954-55	103,295	137,73	1,300	1,74	101,995	135,99
5	1955-56	98,150	130,87	4,985	6,64	93,165	124,23
6	1956-57	91,420	121,90	11,130	14,85	80,290	107,05
7	April 1955	8,565	11,42	—	—	8,565	11,42
8	May	8,465	11,29	—	—	8,465	11,29
9	June	7,820	10,43	100	13	7,720	10,29
10	July	15,145	20,19	—	—	15,145	20,19
11	August	8,945	11,93	300	40	8,645	11,53
12	September	13,565	18,09	—	—	13,565	18,09
13	October	5,475	7,30	1,450	1,93	4,025	5,37
14	November	3,300	4,40	475	63	2,825	3,77
15	December	5,830	7,77	525	70	5,305	7,07
16	January 1956	6,450	8,60	650	87	5,800	7,73
17	February	6,985	9,31	925	1,23	6,060	8,08
18	March	7,605	10,14	560	75	7,045	9,39
19	April	4,775	6,37	125	17	4,650	6,20
20	May	3,505	4,67	270	36	3,235	4,31
21	June	9,105	12,14	2,440	3,26	6,665	8,88
22	July	4,510	6,01	1,140	1,52	3,370	4,49
23	August	8,895	11,86	1,150	1,53	7,745	10,33
24	September	5,855	7,81	1,450	1,94	4,405	5,87
25	October	8,985	11,98	765	1,02	8,220	10,96
26	November	10,695	14,26	325	43	10,370	13,83
27	December	15,935	21,25	1,055	1,41	14,880	19,84
28	January 1957	8,395	11,19	475	63	7,920	10,56
29	February	6,725	8,97	1,275	1,70	5,450	7,27
30	March	4,040	5,39	660	88	3,380	4,51

Note.—Rate for both forward and spot purchases is 1 sh. 6 d. ; rates for forward and spot sales are 1 sh. 5 31/32d. and 1 sh. 5 63/64d, respectively. Totals may not add up owing to rounding and conversion.

† Include cancellations of forward sale contracts. * Include cancellations of forward purchase contracts.

MENT 83

RESERVE BANK OF INDIA (EXCLUDING GOVERNMENT TRANSACTIONS)

DELIVERIES								Total Deliveries	
Spot Transactions				Against Forward Contracts				Purchases()	
Purchases		Sales		Purchases		Sales		Net	Sales()
£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs
690	92	216,827	289,36	262,697	350,26	7,559	10,09	39,001	51,73
1,540	2,05	63,718	85,03	139,760	186,35	3,600	4,80	73,982	98,57
4,083	5,44	16,460	21,97	105,670	140,89	1,000	1,33	92,293	123,05
7,064	9,42	26,697	35,63	93,095	124,13	2,100	2,80	71,362	95,12
10,015	13,36	68,404	91,29	97,230	129,65	-	-	38,841	51,72
4,360	5,82	213,003	284,25	65,140	86,83	800	1,07	144,303	192,67
680	91	5,322	7,10	3,610	4,81	-	-	1,032	1,38
410	55	750	1,00	4,985	6,65	-	-	4,645	6,20
-	-	2,375	3,17	3,710	4,95	-	-	1,335	1,78
370	49	1,075	1,43	6,020	8,03	-	-	5,315	7,09
25	3	6,050	8,07	9,055	12,07	-	-	3,030	4,03
100	13	1,555	2,08	10,050	13,40	-	-	8,595	11,45
50	7	11,330	15,12	7,395	9,86	-	-	3,885	5,19
30	4	10,840	14,47	10,010	13,35	-	-	800	1,08
1,215	1,62	10,265	13,70	13,430	17,91	-	-	4,380	5,83
900	1,20	5,437	7,26	8,625	11,50	-	-	4,088	5,44
905	1,21	9,425	12,58	8,550	11,40	-	-	30	3
5,330	7,11	3,980	5,31	11,790	15,72	-	-	13,140	17,52
65	9	18,700	24,95	2,035	2,71	-	-	16,600	22,15
1,460	1,95	17,250	23,02	3,345	4,46	-	-	12,445	16,61
1,250	1,67	24,020	32,05	4,285	5,71	-	-	18,485	24,67
-	-	17,040	22,74	3,265	4,35	-	-	13,775	18,39
40	5	19,825	26,46	5,230	6,97	-	-	14,555	19,44
1,165	1,55	17,018	22,71	6,615	8,82	800	1,07	10,038	13,41
50	7	23,265	31,05	3,600	4,80	-	-	19,615	26,18
195	26	18,200	24,29	2,995	3,99	-	-	15,010	20,04
30	4	13,590	18,14	12,000	16,00	-	-	1,560	2,10
-	-	14,855	19,82	6,090	8,12	-	-	8,765	11,70
10	1	13,715	18,30	6,565	8,75	-	-	7,140	9,54
95	13	15,525	20,72	9,115	12,15	-	-	6,315	8,44

STATEMENT 84

INDIA'S BALANCE OF TRADE IN MERCHANDISE^(a)
(PRIVATE AND GOVERNMENT)
(Sea, Air and Land)

IMPORTS**			EXPORTS*			(Lakhs of Rupees)	
Sea and Air	Land†	Trade in Transit††	Total (1-2-3)	Year and Month	Sea and Air	Land†	Trade in Transit††
					5	6	7
					Total (5+6-7)		Balance of Trade
1	2	3	4			8	
863.48	80.45	80	943.13	1951-52	715.69	27.14	732.99
644.91	25.16	19	669.88	1952-53	559.23	18.84	577.37
549.12	22.93	12	571.93	1953-54	523.20	7.46	530.62
633.05	23.39	18	656.26	1954-55	588.24	5.73	593.54
675.63	29.35	17	704.81	1955-56	603.32	6.21	627.72
..	..	..	840.11	1956-57	..	..	609.41
..	..	..	..	..	..	..	600.37
54.24	1.53	1	55.76	April 1955	39.43	50	239.74
51.14	2.03	..	53.17	May	43.97	48	39.90
51.59	1.94	2	53.51	June	47.30	89	44.43
52.28	1.62	3	53.87	July	50.69	43	48.18
48.70	1.64	..	50.34	August	51.31	29	51.11
50.87	3.02	1	53.88	September	57.99	38	51.60
51.70	2.18	1	53.87	October	48.04	34	58.37
62.86	2.73	2	65.57	November	49.24	60	48.38
58.87	3.17	1	62.03	December	52.13	93	49.84
57.43	3.26	2	60.67	January 1956	46.35	58	53.06
67.79	3.42	2	71.19	February	51.60	39	46.93
68.16	2.81	2	70.95	March	65.26	40	51.99
..	..	..	..	..	..	..	65.62
58.04	1.86	5	59.85	April	39.24	45	39.69
66.67	1.06	3	67.70	May	44.69	38	45.06
63.12	1.05	4	64.13	June	46.39	43	46.81
58.41	98	3	59.36	July	41.75	48	42.21
64.76	1.79	1	66.54	August	49.58	48	47.15
82.00	2.20	5	84.15	September	49.58	47	50.04
68.72	2.16	1	70.87	October	53.02	47	50.04
68.13	1.83	4	69.92	November	55.62	48	53.49
67.69	1.69	10	69.28	December	55.41	85	56.07
..	..	..	78.00	January 1957	..	..	56.24
..	..	..	70.80	February	..	..	55.27
..	..	..	79.51	March	..	..	54.44
..	..	..	..	..	..	..	51.01
..	..	..	..	..	..	..	22.73
..	..	..	..	..	..	..	16.36
..	..	..	..	..	..	..	28.50

^(a) Provisional. * Figures are inclusive of re-exports and are on *f.o.b.* basis. ** Exclude the value of certain special imports of foodgrains and stores for which full particulars are not available. †† Relates to figures included in the general import and re-export figures. Source : Department of Commercial Intelligence and Statistics.

STATEMENT 85

INDIA'S TRADE AGREEMENTS, 1956-57

Countries	Date of Agreement	Duration	Important Imports into India	Important Exports from India
1. Poland	.. April 3, 1956	.. April 1, 1956 to December 31, 1956.	Machinery for building, road building and mining, textile machinery, iron and steel structures, hand tools, diesel engines, electric motors, agricultural implements, tractors, complete plant and equipment for sugar factories, machine tool producing plants etc., optical and medical instruments and cement.	Iron ore, manganese ore, mica, shellac, tea, coffee, tobacco, cotton textiles, raw cotton, jute goods, hides and skins, cashew nuts, vegetable oils, hydrogenated oils and light engineering goods.
2. Bulgaria	.. April 18, 1956	.. April 18, 1956 to December 31, 1956.	Drugs and medicines, chemicals, electrical instruments, various kinds of machinery, diesel engines, cement, bicycle tyres and radio sets.	Tea, coffee, spices, tobacco, manganese ore, iron ore, raw cotton, raw wool, cotton and jute goods, spices, vegetable oils and seeds, and hydrogenated oils.
3. Sweden	.. May 9, 1956	.. Validity of the schedules to the Agreement of May 1955 extended upto the end of December 1956.		
4. Norway	.. June 4, 1956	.. Validity of the Agreement of June 1955, initially valid upto the end of 1955 extended upto December 31, 1956 with slight modification of the schedules.		
5. Indonesia	.. August 2, 1956	.. Validity of the Agreement of January 1953 extended by 6 months to the end of December 1956.		
..	.. February 9, 1957	.. Further extension of the Agreement by another six months to the end of June 1957.		

STATEMENT 85—(Contd.)

Countries	Date of Agreement	Duration	Important Imports into India	Important Exports from India
6. Pakistan	.. August 31, 1956	.. Agreement of July 1955 extended by a further period of 2 months upto October 31, 1956.		
..	.. October 31, 1956	.. Further extension of the Agreement for a period of 3 months upto January 31, 1957.		
..	.. January 22, 1957	.. A new Agreement entered into for 3 years commencing from February 1, 1957; the working of the Agreement to be reviewed every six months and the schedules to be revised, if necessary, before January each year.	Raw jute, hides and skins, fish, poultry and eggs, betel nuts and leaves, spices, honey, cinema films, machine tools and spare parts, bicycles, surgical instruments and sports goods.	Coal, chemicals, drugs and medicines, mill board and straw board, machinery and mill work, workshop equipment, cinema films, sugar, tea for blending, betel leaves, biri leaves, biri and <i>hukka</i> tobacco, bicycles and spare parts.
7. Burma	.. September 5, 1956	.. 5 years from the date of signing.	Rice, pulses and beans, maize, cotton raw, tea, hardwood, stick lac, cutch, rubber, tin ore, zinc concentrates, wolfram ore, handicrafts and cottage industry products, precious, semi-precious and synthetic stones.	Textiles (cotton, woollen and silk), jute manufactures, tea, vegetable oils and oil seeds, tobacco raw and manufactured, chemicals, soap, engineering goods, agricultural equipment, automobiles, hydrogenated oil, drugs and medicines, electrical goods, utensils and other household requirements, files and leather manufactures.
8. Austria	.. September 6, 1956	.. Further extension upto June 1957 of the validity of the Agreement of December 1952, initially valid for two years and subsequently extended from time to time.		

STATEMENT 85 —(Contd.)

Countries	Date of Agreement	Duration	Important Imports into India	Important Exports from India
9. Viet Nam	September 22, 1956	3 years effective from the date of signing.	Timber, wood oil, saffron, maize, peas, dried betel nuts, handicraft articles of utility and artistic value, cement, lime stone, and sea products.	Engineering goods including diesel engines, pumps, sewing machines, agricultural machinery, printing and textile machinery, automobiles, radio receivers, household and building requirements, utensils, kerosene stoves, confectionery, tea, coffee, vegetable oils and seeds, spices and hydrogenated oil.
10. Western Germany	September 22, 1956	Annexure to the earlier Agreement signed on March 31, 1955 revised for 1956-57.		
11. Eastern Germany	October 8, 1956	3 years from October 1956. (The earlier Agreement signed in 1954 expired on October 15, 1956).	Various kinds of machinery, locomotives, scientific instruments, newsprint and raw films, air conditioning plants, bakery and confectionery machines, electric furnaces and motors, earth drillers and mining machines.	Cotton raw, cotton and jute manufactures, mica, silk and woollen fabrics, light engineering goods, iron, manganese and kyanite ores, shellac, vegetable oils, cashew nuts, hydrogenated oil, tea, coffee and asbestos.
12. Chile	October 16, 1956	Valid upto December 31, 1959.	Sulphur, manufactures and semi-manufactures of copper, pig iron and steel, nitrate and lead.	Cashew kernels, spices, tea, coffee unmanufactured tobacco, mica, shellac, hides and skins, leather manufactures, cotton piece goods, manganese ore, hydrogenated oil, jute manufactures, handicrafts and cottage industry products and light engineering goods.
13. Rumania	January 17, 1957	Extension of the validity of the schedules to the Agreement of 1954 for one year from January 1, 1957.		
14. Czechoslovakia	January 25, 1957	Further extension, upto March 31, 1957, of the Agreement of November 1953, initially valid upto December 31, 1954 and extended from time to time till December 31, 1956.		

STATEMENT 85—(Contd.)

Countries	Date of Agreement	Duration	Important Imports into India	Important Exports from India
15. U. S. S. R.	.. January 30, 1957	.. Extension with certain modifications of the validity of schedules to the Agreement of 1953 up to December 2, 1957		
16. Italy	.. February 11, 1957	.. Extension upto December 31, 1957 of the validity of the Agreement of July 1954, initially valid upto December 31, 1955, and subsequently extended up to December 31, 1956.		
17. Poland	.. March 1, 1957	.. Validity of schedules to the Agreement signed in April 1956 extended upto December 31, 1957 with certain modifications.		
18. Finland	.. March 21, 1957	.. The Agreement of January 1951 and last extended upto December 31, 1956, further extended by another year till the end of December 1957, the schedules being revised.		
19. Iraq	.. March 5, 1957	.. Agreement of May 1953 last extended upto December 31, 1956, further extended for one year till the end of 1957.		

STATEMENT 86

TARIFF COMMISSION, 1956-57

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
A. Tariff Inquiries			
1. Calcium Carbide	Fresh case for protection	Protection to be granted till December 31, 1958 and a standard rate of protective duty of 45% <i>ad valorem</i> should be levied on imported calcium carbide.	Accepted, but decided to fix the duty at 50 per cent <i>ad valorem</i>
2. Isonicotinic Acid Hydrate (Isoniazid)	"	Observed that the industry was and would for some time to come be dependent on imported raw materials, for which the prices charged are disproportionately high. Recommended against protection as it would raise the cost of the essential drug.	Accepted, but they considered that the industry should be assisted to reduce its cost of production. For this purpose the import duty on gammapicolone which is an essential raw material for this industry should be remitted in full in the case of imports of this item from preferential sources and reduced to 10% <i>ad valorem</i> for imports from non-preferential sources.
3. Ball Bearings	Continuance of protection	Recommended that the protective duty on ball bearings upto 2" bore diameter (other than adapter bearings) should be maintained at the existing rates. The duty on adapter bearings upto 2" bore diameter should be raised to 94½% <i>ad valorem</i> so as to bring it on par with the other protected types of ball bearings. The duration of these protective duties be extended to December 31, 1960.	Accepted
4. Electric Brass Lamp Holders	"	Recommended discontinuance of protection beyond December 31, 1957	Accepted
5. Plastics (Phenol formaldehyde moulding powder, Electrical accessories and Buttons)	"	(1) Recommended that protection to the section of the industry engaged in the manufacture of phenol formaldehyde moulding powder be continued at the existing rate of duty, namely, 31½% <i>ad valorem</i> for a period of three years, i.e., till December 31, 1959. (2) Recommended that protection to the section of the industry engaged in the manufacture of electrical accessories be discontinued after December 31, 1956. (3) Recommended that protection to the section of the industry engaged in the manufacture of plastic buttons be continued for a period of three years, i.e., till December 31, 1959 at the existing rate of duty, namely, 66 2/3% <i>ad valorem</i> or 17 annas per gross, whichever is higher. The present protective duty of 10% <i>ad valorem</i> without surcharge be continued upto December 31, 1960. The duty be made applicable to power & distribution transformers upto 3000 KVA and 37.5KV on the H. T. side.	Accepted
6. Power and Distribution Transformers	"		Accepted

STATEMENT 86—(Contd.)

Main Observations of the Commission

	1	2	3	4	5
B. Price Inquiries					
1. Fair Retention prices (ex-works) of pig iron & steel produced by the Mysore Iron & Steel Works.	Referred to the Commission for fixing the retention price of steel payable to Mysore Iron & Steel Works from April 1, 1954 and the retention prices payable for the different grades of pig iron produced by the Works from November 14, 1953.	The following fair ex-works retention prices were recommended: (a) <i>Mild Steel Section</i> Rs. 392 per ton in 1954-55 and Rs. 405 from 1955-56 to 1959-60; (b) <i>Pig iron of standard foundry grade</i> : Rs. 178/8/- per ton from November 14, 1953 to March 31, 1954, Rs. 197 per ton in 1954-55 and Rs. 195 per ton from 1955-56 to 1959-60.	Accepted; but the prices recommended by the Commission are to apply only upto March 31, 1959 after which the costs might be materially different as a result of higher production in schemes currently under consideration.		
2. Fair Retention prices (ex-works) of pig iron produced by the Indian Iron & Steel Co. Ltd.	Referred to the Commission for fixing retention price of pig iron payable to the company with effect from August 1, 1954 for as long a period as possible.	The ex-works fair retention prices varying from Rs. 128/- to Rs. 148/- per ton for standard grades (high manganese) of pig iron and varying from Rs. 126/- to Rs. 146/- per ton for low manganese grades of pig iron were to be fixed and remain in force from August 1, 1954 to March 31, 1960.	Accepted and decided to fix the ex-works retention prices as recommended by the Commission from August 1, 1954 to December 31, 1955. As regards the prices from January 1, 1956 to March 31, 1960, Government decided that the prices of all categories of pig iron recommended would be less by Rs. 6-8-0 per ton on the average as Government was of the view that special depreciation allowed by the Commission was not necessary beyond 1955 as by that time the entire value of the block would be covered by normal depreciation and special depreciation.	Accepted	
3. The prices of Locomotives and Boilers produced by Tata Locomotives Co. Ltd.	Referred to the Commission for an enquiry into the prices of locomotives and boilers produced by Tata Locomotives & Engineering Co. Ltd. for supply to the Railway Board and to submit its recommendations regarding fair prices.	(1) Certain prices as recommended in Commission's Report should be paid for the locomotives and spare boilers delivered by Tata Locomotives and Engineering Co. Ltd., during the first price period (July 1, 1954 to March 31, 1955 for locomotives and February 1, 1954 to March 31, 1955 for boilers), the second price period (April 1, 1955 to March 31, 1956) and the third price period (April 1, 1956 to March 31, 1958).	(2) The prices recommended for the third price period may be adjusted from time to time to the extent that Government are satisfied that manufacturing costs have altered as a result of changes in railway freights, changes in statutory prices of coal and other fuel, raw materials, stores or machinery and changes in labour costs caused by labour legislation or adjudication or conciliation awards.		
			(3) A cost investigation should be made before prices are fixed for any price period in future.		

STATEMENT 86—(Contd.)

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
4. Automobile	<p>Referred to the Commission to enquire into and recommend fair ex-works and selling prices of automobiles produced internally and to suggest the mode of revision of those prices as the manufacturing progresses. Also to inquire into the manner in which obligations of several manufacturing units under their approved manufacturing programmes had been discharged and to suggest steps necessary to implement them fully in future.</p>	<p>1. (a) Recommended the replacement of the present system of price control by a more flexible one which would allow the manufacturers to vary prices from time to time according to changes in costs. Periodic investigations into their costs and profits are however to be held to ensure that prices charged are not excessive and that maximum proportion of profit is ploughed back into reserves.</p> <p>(b) Dealer's commission not to exceed Rs. 1,000 - per vehicle or 10% of the ex-factory price whichever is less for passenger cars and jeeps and Rs. 1,000 - per vehicle or 7½% of the ex-factory price whichever is less for trucks, buses and other commercial vehicles.</p> <p>2. (a) Protection be granted for a period of 10 years, and rates of duties be reviewed at reasonable intervals.</p> <p>(b) Import duties on principal components be raised while those on less important items be lowered to encourage internal production of essential components.</p> <p>(c) Priority be given to the manufacture of commercial vehicles rather than passenger cars.</p>	<p>1. (a) Accepted. A month's notice of price variations should be given and Government may intervene if the change is unreasonable. Net dealer prices not to exceed the ex-works cost by more than 10 per cent.</p> <p>(b) Percentage rates accepted without the monetary ceilings.</p> <p>(a) Accepted</p> <p>(b) A change in tariffs at the present stage was not considered necessary. It was, however, decided to convert the existing revenue duties into protective duties as this would enable them to adjust the duties on the components, should occasion arise.</p> <p>(c) Principle accepted.</p>

STATEMENT 87

INDIA CURRENCY IN CIRCULATION (a)

(Lakhs of Rupee)

			Circulation (b)			Increase (·) or Decrease (---) in Circulation (c)			
			Notes (d)	Rupee Coin (e)	Total* (1 + 2)	Notes	Rupee Coin	Small Coin	Total (4 + 5 + 6)
			1	2	3	4	5	6	7
1951-52	..	..	1,097.94	125.45	1,223.39	100.21(f)	13.00	3.05	116.26
1952-53	..	..	1,089.95	119.71	1,209.66	7.99	5.74	4.09	17.82
1953-54	..	..	1,142.75	117.92	1,260.67	52.81	1.79	3.17	47.85
1954-55	..	..	1,233.92	112.98	1,346.90	91.17	4.94	1.14	85.09
1955-56	..	..	1,423.47	122.13	1,545.60	189.55	9.15	1.47	200.17
1956-57	..	..	1,482.92	117.88	1,600.80	59.45	4.25	45	55.65
April	1955	..	1,267.60	115.62	1,383.22	33.68	2.64	50	36.82
May	..	..	1,272.92	117.27	1,390.19	5.32	1.65	52	7.49
June	..	..	1,267.62	117.64	1,385.26	5.30	37	—	4.93
July	..	..	1,248.30	115.25	1,363.55	19.32	2.39	16	21.87
August	..	..	1,241.92	113.08	1,355.00	6.38	2.17	6	8.61
September	..	..	1,237.05	112.13	1,349.18	4.87	95	21	6.03
October	..	..	1,262.69	112.88	1,375.57	25.64	75	2	26.37
November	..	..	1,280.59	113.87	1,394.46	17.90	99	16	19.05
December	..	..	1,318.81	116.03	1,434.84	38.22	2.16	12	40.26
January	1956	..	1,335.90	117.31	1,453.21	17.09	1.28	17	18.54
February	..	..	1,359.68	118.87	1,478.55	23.78	1.56	40	25.74
March	..	..	1,423.47	122.13	1,545.60	63.79	3.26	30	67.35
April	..	..	1,461.84	123.70	1,585.54	38.37	1.57	89	40.83
May	..	..	1,462.96	125.14	1,588.10	1.12	1.44	44	3.00
June	..	..	1,431.50	124.09	1,555.59	31.46	1.05	1	32.52
July	..	..	1,401.11	120.20	1,521.31	36.39	3.89	30	34.58
August	..	..	1,381.34	117.43	1,498.77	19.77	2.77	41	22.95
September	..	..	1,366.06	114.37	1,480.43	15.28	3.06	21	18.55
October	..	..	1,375.72	114.03	1,489.75	9.66	34	10	9.42
November	..	..	1,395.37	113.62	1,508.99	19.65	41	73	18.51
December	..	..	1,422.90	114.60	1,537.50	27.53	98	42	28.93
January	1957	..	1,442.35	114.91	1,557.26	19.45	31	8	19.68
February	..	..	1,463.08	116.97	1,580.05	20.73	2.06	9	22.88
March	..	..	1,482.92	117.88	1,600.80	19.84	91	25	21.00

Note :—Figures relate to India currency (for data relating to India and *Hali Sicca* currency see Statement 21).

(a) Includes India currency in circulation outside India. (b) At the end of period. (c) The figures are not adjusted to take account of net inward or outward movements of currency. (d) Figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment. (e) Estimated (for details see footnote to Statement 86 of the Report for 1953-54). (f) Figures are net of adjustments made in respect of India notes retired from circulation in Aden.

* Figures are (i) inclusive of notes and coin held by banks and at Treasuries and (ii) exclusive of *Hali Sicca* currency and therefore differ from those given in column 5 of Statement 21, which are exclusive of the former and inclusive of the latter.

STATEMENT 88

CIRCULATION OF INDIA NOTES BY DENOMINATIONS

End of December	Rs. 2	Percent- age of (1) to (15)	Rs. 5	Percent- age of (3) to (15)	Rs. 10	Percent- age of (5) to (15)	Rs. 100	Percent- age of (7) to (15)	Rs. 1,000*	Percent- age of (9) to (15)	Rs. 5,000*	Percent- age of (11) to (15)	Rs. 10,000*	(Rupees In Lakhs) Percent- age of (13) to (15)	Total (1+3+5+7+9+11+13)
1951	25.43	2.2	157.41	13.6	477.42	11.1	500.90	13.1							1,161.16
1952	23.43	2.1	141.20	12.7	461.64	11.1	487.49	13.5							1,113.76
1953	24.85	2.2	144.72	12.6	484.41	12.2	494.21	13.0							1,148.19
1954	26.52	2.2	150.57	12.3	511.50	11.6	502.02	10.9	32.06	2.6	5.04	0.1	1.01	0.1	1,228.72
1955	28.66	2.1	159.36	11.6	562.89	11.0	550.05	10.1	56.37	1.1	9.85	0.7	5.81	0.1	1,372.99
1956	28.72	1.9	161.23	10.9	604.66	10.9	616.58	11.7	52.24	1.5	9.92	0.7	5.73	0.1	1,479.08

Note.— Figures are inclusive of Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting adjustment and are net of India notes returned from circulation in Aden. Data given in this Statement relate to total notes issued (i.e. notes in circulation plus notes held in the Banking Department of the Reserve Bank).

* Relate to the new high denomination notes issued from April 1954.

STATEMENT 89

MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (DENOMINATION-WISE)

	ABSORPTION(-) OR RETURN(+)						(Thousands of Rupees)	
	Half rupee†	Four anna pieces‡	Two anna pieces§	One anna pieces	Half anna pieces*	Single piece**	Half piece	Total
1951-52	1,06.57	84.04	61.78	62.55	1.73	11.28	0	3,05.32
1952-53	1,32.06	1,02.46	75.89	75.47	9.54	6.04	2	4,09.40
1953-54	1,16.18	80.12	56.04	60.18	4.88	95	10	3,16.62
1954-55	56.39	30.60	15.16	15.75	1.22	5.27	13	1,14.02
1955-56	35.13	59.81	11.61	23.74	6.58	9.69	1	1,46.54
1956-57	16.95	20.99	9.66	26.04	6.39	19.14	84	45.08

† Since the inauguration of the Reserve Bank in 1935, silver half rupees have been included in statistics relating to small coin; including pure nickel half rupees introduced in May 1946. ‡ Including pure nickel four anna pieces introduced in May 1946. § Including nickel two anna pieces introduced in 1917-18. * Nickel half anna pieces introduced in January 1942. ** Including single piece pieces with a circular hole issued from February 1943.

STATEMENT 90**MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (METAL-WISE)****ABSORPTION (—) OR RETURN (++)**

(Lakhs of Rupees)

	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
I. Quaternary Silver						
8 annas	1,23	1,64	1,31	1,22	61	81
4 annas	99	1,33	1,07	97	48	65
Total Quaternary Silver Coin	2,22	2,97	2,38	2,19	1,09	1,46
II. Pure Nickel						
8 annas	17	13	15	66	96	64
4 annas	19	35	29	68	1,09	87
Total Pure Nickel Coin	36	48	44	1,34	2,05	1,51
III. Nickel-Alloy*						
4 annas	4	4	1	1	2	1
2 annas	62	76	56	15	12	10
1 anna	63	75	60	16	24	26
½ anna	2	10	5	1	7	6
Total Nickel-Alloy Coin	1,31	1,65	1,22	33	41	21
Total Nickel Coin (II + III)	95	1,17	78	1,01	2,46	1,72
IV. Copper**						
Single Pice	11	6	1	5	10	19
Half Pice						1
Pie Pieces						
Total Copper Coin	11	6	1	5	10	18
V. Total Small Coin†	3,05	4,09	3,17	1,14	1,47	45

* Cupro-nickel and nickel-brass coins. ** Including bronze coins.

† Including negligible amounts of Standard Silver small coins returned from circulation.

STATEMENT 91**MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (CIRCLE-WISE)****ABSORPTION () OR RETURN ()**

(Thousands of Rupees)

	Bangalore	Bombay	Calcutta	Kanpur	Nagpur	New Delhi	Madras	Total
1951-52		16,89	- 1,79,93	90,07		8,77	9,66	- 3,05,32
1952-53		- 23,96	2,15,28	1,51,58		9,84	56,66	- 4,09,40
1953-54		- 32,01	- 93,07	- 1,19,91		10,22	61,41	3,16,62
1954-55		9,92	29,00	86,81		25	8,38	- 1,14,02
1955-56		94,03	25,84	- 11,14		2,53	35,28	1,46,54
1956-57	4,07	47,24	3,35	- 36,20	10,95	1,80	22,01	45,08

STATEMENT 92**LOST, DESTROYED AND MUTILATED NOTES, 1956-57**

	No. of claims admitted	No. of pieces	Amount of claims admitted Rs.	Amount paid against claims Rs.
Lost or wholly destroyed notes ..	615	1,547	1,54,700	94,400*
Half Notes	369	807	80,700	13,800
Mutilated Notes :				
Registered (Denominations above Rs. 100)(a)	2,522**	6,083	6,18,070	5,22,520
Unregistered (Denominations of Rs. 1 to Rs. 100)	84,669**	3,91,303	38,10,895	34,17,748
Government of India one rupee notes		3,42,649	3,42,649	2,34,710

*Includes amount paid during 1956-57 in respect of claims admitted in previous years.

**Excludes figures for soiled notes in respect of the Bombay circle.

(a) Includes figures for Rs. 100 denomination upto June 30, 1956; from July 1, 1956, Rs. 100 denomination is included under unregistered notes.

STATEMENT 93**NOTE FORGERIES**

Year	Rs. 1 (Government of India Notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Total	
						Number	Value Rs.
1951-52	3,334	35	1,669	1,901	148	7,087	45,559
1952-53	4,257	74	966	1,060	233	6,595	43,636
1953-54	6,250	63	1,071	1,603	46	9,033	32,361
1954-55	6,785	838	1,625	1,785	2,177	13,210	2,52,136
1955-56	6,136	152	813	2,220	175	9,496	50,205
1956-57	3,006	88	834	6,644	3,380	13,952	4,11,792

STATEMENT 94**PROSECUTIONS ON ACCOUNT OF NOTE FORGERIES**

Year	Fresh Prosecu- tions	Pending at the end of the pre- vious year	Total Trials	Dis- charges	Convic- tions	Pending
1951-52	37	25	62	19	23	20
1952-53	39	20	59	17	12	30
1953-54	17	30	47	13	8	26
1954-55	32	26	58	10	18	30
1955-56	45	30	75	14	12	49
1956-57	37	49	86	14	13	59

STATEMENT 95

MINTAGE OF INDIA RUPEES AND SMALL COIN

(Lakhs of Rupees)

		Bombay Mint		Alipore Mint		Total Coined		Grand Total
		Whole Rupees*	Small Coin	Whole Rupees*	Small Coin	Whole Rupees* (1 : 3)	Small Coin (2 : 4)	(5+6)
		1	2	3	4	5	6	7
1951-52	.. ..	—	1,38	—	61†	—	1,99	1,99
1952-53	.. ..	—	21	—	18	—	39	39
1953-54	.. ..	—	35	—	20	—	55	55
1954-55	.. ..	6	48††	—	2,10	6	2,58	2,63
1955-56	.. ..	—	5††	—	2,55	—	2,60	2,60
1956-57	.. ..	—	1,39††	—	2,50	—	3,89	3,89

Note.—From July 1951, the old Calcutta Mint was closed for coinage with the opening of the new Mint at Alipore (Calcutta).

* Nickel rupees.

† Including coins of the value of Rs. 13,000 minted at the old Calcutta Mint.

†† Including coins minted at the India Government Mint, Hyderabad (Dn.), the value of these being Rs. 31,950 in 1954-55, Rs. 1,100 in 1955-56 and Rs. 8,49,700 in 1956-57

STATEMENT 96

MINTAGE OF INDIA COINS BY DENOMINATIONS, 1956-57

Denomination	Bombay Mint	Alipore Mint	Total
	Rs.	Rs.	Rs.
Nickel Rupees	—	—	—
„ Half Rupees	6,24,000	90,72,775½	96,96,775½
„ Quarter Rupees ..	2,83,000	37,53,831	40,36,831
Cupro-nickel 10 Naye Paise ..	70,62,000	71,60,500	1,42,22,500
„ 5 „ „ ..	22,13,500	22,66,250	44,79,750
„ 2 „ „ ..	12,61,400	14,89,400	27,50,800
Bronze one Naya Paisa ..	24,99,000*	12,48,700	37,47,700
Total ..	1,39,42,900	2,49,91,456½	3,89,34,356½

* Including coins of the value of Rs. 8,49,700 minted at the India Government Mint, Hyderabad (Dn.).

STATEMENT 98

DIMENSION, WEIGHT AND COMPOSITION OF COINS

OLD COINS					NEW DECIMAL COINS				
Denomination	Composition	Shape and outside diameter	Weight	Number of serrations	Denomination	Composition	Shape and outside diameter	Weight	Number of serrations
Rupee	Nickel	Circular 1.10"	180 grains	224	Rupee	Nickel	Circular 28 m.m. (= 1.102")	100 grains (= 154.32 grains)	200
1/2 Rupee	"	Circular 0.95"	90 "	130	50 Naye Paisa	"	Circular 24 m.m. (= 0.945")	5 grains (= 77.16 grains)	150
1/4 Rupee	"	Circular 0.75"	45 "	100	25 "	"	Circular 19 m.m. (= 0.748")	2.5 grains (= 38.58 grains)	100
Two Annas	Cupro-nickel	Square 1.00"	90 "	—	10 "	Cupro-nickel	8 Scallop 23 m.m. (= 0.905")	5 grains (= 77.16 grains)	—
One Anna	"	12 Scallop 0.827"	60 "	—	5 "	"	Square 22 m.m. (= 0.866")	4 grains (= 61.72 grains)	—
1/2 Anna	"	Square 0.778"	45 "	—	2 "	"	8 Scallop 18 m.m. (= 0.709")	3 grains (= 46.29 grains)	—
Pice	Bronze	Circular 0.840"	45 "	—	1 Naya Paisa	Bronze	Circular 16 m.m. (= 0.630")	1.5 grains (= 23.15 grains)	—
Pie	"	Circular 0.65"	25 "	—					

STATEMENT 99**WITHDRAWAL OF SILVER, CUPRO-NICKEL AND COPPER COINS, 1956-57**

									Rs.
I. Uncurrent Coin									
<i>Silver Rupees</i>									
Standard Silver Rupees	..	..	..	..	..	..	..	2,791.00
Defective Quaternary Rupees	..	..	..	..	..	..	..	15,000.00
Other uncurrent coin (shroff marked, soldered, etc.)	..	..	..	..	..	..	..	10,933.37
Total Silver Coin	..	..	..	..	..	..	..	28,724.37
Cupro-nickel* Eight Anna	..	..	..	..	..	..	..	1,42,789.00
Copper Double Pice	..	..	..	..	..	..	..	330.47
Total of Uncurrent Coin	..	..	..	..	..	..	..	1,71,843.84
II. Badly worn and defaced Coins									
<i>Nickel and Nickel-Alloy Coins</i>									
Nickel Rupees	..	..	..	..	..	..	..	3,11,017.00
Cupro-nickel*-/4/- pieces	..	..	..	..	..	..	..	4,41,891.75
Cupro-nickel†-/2/-	„	..	..	..	..	..	..	58,64,701.50
Cupro-nickel†-/1/-	„	..	..	..	..	..	..	24,94,798.12
Cupro-nickel†-/½/-	„	..	..	..	..	..	..	4,31,054.37
<i>Copper and Bronze Coins</i>									
Single Pice	..	..	..	..	..	..	..	4,25,378.36
Half Pice	..	..	..	..	..	..	..	786.24
Pie Pieces	..	..	..	..	..	..	..	95.41
Total of badly worn and defaced Coins	..	..	..	..	..	..	..	99,69,722.75

* Including worn-out pure nickel coins.

† Including nickel-brass coins.

STATEMENT 100**NUMBER OF COUNTERFEIT COINS CUT AT TREASURIES AND
RAILWAY STATIONS**

				1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
Silver Coins									
Rupees	..	..	..	12,176	9,658	8,575	6,826	5,036	5,587
Half Rupees	..	..	..	7,248	6,279	7,620	4,907	4,214	4,330
Quarter Rupees	..	..	..	9,615	8,382	9,540	5,628	4,871	4,139
Eighth Rupees	..	..	..	16	18	15	2	—	—
Total	..	..	..	29,055	24,337	25,750	17,363	14,141	14,196
Nickel Coins									
Rupees	..	..	..	6,317	4,841	5,535	3,340	3,637	5,279
Half Rupees	..	..	..	8,686	8,103	8,724	6,539	5,433	7,517
Quarter Rupees	..	..	..	13,956	12,942	10,482	7,609	8,010	8,168
Two Annas	..	..	..	1,29,644	1,56,190	1,12,915	94,023	1,24,845	1,58,315
One Anna	..	..	..	13,420	22,126	18,794	8,747	8,430	11,241
Half Anna	..	..	..	967	2,000	1,175	2,071	1,153	607
Total	..	..	..	1,72,990	2,06,202	1,57,685	1,23,249	1,51,518	1,92,227

INDEX

A	B—Contd.	Page
		Page
Advances under Bill Market Scheme ..	2, 32	
Agricultural Produce (Development and Warehousing) Corporations Act 1956 ..	37	
Agricultural production, India ..	9	
" " revised targets under the Second Plan ..	13	
Anti-inflationary measures, foreign countries ..	5-8	
Australia, bank credit ..	3	
" credit controls ..	7	
Austria, bank credit ..	3	
" reserve requirements, changes in ..	7	
B		
Balance of payments, capital account ..	76, 77	
" " exports ..	74, 76	
" " foreign countries ..	4	
" " foreign exchange reserves ..	77, 78	
" " imports ..	73, 74	
" " India, estimates ..	72, 73	
" " invisibles, excluding official donations ..	76	
" " official donations ..	76	
" " private account ..	74	
Balances and ways and means advances, State Governments ..	70	
Balances and ways and means advances, Union Government ..	70	
Bank credit, foreign countries ..	3	
Bank credit, India ..	29-31	
Banking Companies (Amendment) Act 1956 ..	35, 36	
Banking developments, India ..	34-36	
Bank investments in Government securities, India ..	39	
Bank rate, foreign countries, changes in ..	5, 6	
" " India, change in ..	2, 32	
Belgium, discount rate ..	6	
" industrial production ..	3	
Bill Market Scheme, extension of credit under ..	32	
" " changes in ..	32, 33	
Bombay Bullion Association, working of ..	51	
Borrowings from the Reserve Bank, by scheduled banks ..	29, 30	
Budget, changes in Central excise duties ..	60, 61	
" " in income tax ..	61, 62	
" " deficit, State Governments ..	64	
" " Union Government ..	57	
" " expenditure tax ..	62	
" " modifications in tax proposals ..	63	
" " Railway ..	66, 67	
" " tax on wealth ..	62	
" " Union Government ..	57-64	
" " " Capital Account ..	63, 64	
" " " Revenue Account ..	57-63	
Budgetary trends and plan outlay ..	56, 57	
Budgets, State Governments, Capital Account ..	66	
Budgets, State Governments, Revenue Account ..	64-66	
Bullion, futures trading in India ..	54, 55	
" market, Bombay ..	51-55	
" prices, abroad ..	51, 52	
" " India ..	53, 54	
" production, abroad ..	51, 53	
" " India ..	52, 53	
C		
Canada, bank credit ..	3	
" changes in the operation of discount rate mechanism ..	5	
" gold reserves ..	4	
" industrial production ..	3	
Capital issues, India ..	43-45	
" markets, India ..	38-50	
" movements, India ..	76, 77	
Cash balances, Union Government ..	70	
" State Govts. ..	70	
Cement, prices in India ..	22	
" production in India ..	14	
Central Banks, discount rates ..	6	
Central Government loans, floatations of ..	68, 69	
Central Tractor Organization, working of ..	11	
Chemicals, production in India ..	14, 15	
Chile, sliding scale of discount rate ..	5, 6	
Circulation of India notes ..	83	
" " rupee coin ..	83, 84	
" " small coin ..	84	
Coal prices, changes in ..	21	
" production in India ..	14	
Coins, counterfeit ..	86	
" withdrawal of ..	86	
Coinage of new decimal coins ..	86	
Commodity prices in India ..	19-23	
Consumer price index (working class) ..	25	
Control of capital issues ..	44	
Co-operative credit, India ..	36, 37	
Cost of living, India ..	25	
Cotton Extension Schemes ..	11	
" production in India ..	11	
" suspension of forward trading in ..	24	
" textiles, production in India ..	15	
Counterfeit coins ..	86	
Credit policy, India ..	31-34	
Credit controls, foreign countries ..	7	
Currency, circulation of ..	83, 84	
" Hyderabad, withdrawal of ..	84	

D

	Page
Decimal coinage, introduction of ..	84, 85
Deposit liabilities of scheduled banks, India ..	29
Developmental outlay under the Second Plan ..	2
Discount rates, foreign countries ..	
changes in ..	6

E

Economic trends, foreign countries ..	2-8
" India ..	1, 2
Electrical equipment industry, setting up of a new factory ..	16, 17
Engineering industries, production in India ..	14
Exchange control developments, India ..	78, 79
Excise duties, changes in ..	60, 61
Export duties, India, changes in ..	79, 80
" policy, India ..	79, 80
Export-Import Bank, line of credit granted by ..	4
Export Promotion Committee, setting up of ..	80
Export Promotion Councils for some industries, setting up of ..	79
Export Risks Insurance Corporation, setting up of ..	80
Exports, India ..	74-76

F

Fair price shops for foodgrains ..	23
Financing of small-scale industries ..	47-49
Finland, discount rate ..	6
Five Year Plan, Second, outlay ..	3
Foodgrains, ban on exports ..	23
" imports ..	10, 23
" prices ..	19, 20
" production of ..	10, 11
Foreign exchange reserves, foreign countries ..	4, 5
Foreign exchange reserves, India ..	77, 78
Forward Markets Commission, intervention in futures markets ..	24
Forward trading in Bombay cotton market, suspension of ..	24
France, bank credit ..	3
" discount rate ..	6
" industrial production ..	3
" reserve requirement ratio, tightening of ..	7
Futures trading in bullion in India ..	54, 55

G

Germany (Western), bank credit ..	3
" " discount rate ..	5, 6
" " gold reserves ..	4
" " industrial production ..	3
" " money supply ..	3

G Contd

Page

Gilt-edged markets, foreign countries ..	7
" " India ..	39, 40
" " India support by the R.B.I. ..	39
Gold & dollar reserves, foreign countries ..	4
" " sterling area ..	5
Gold prices, foreign markets ..	51, 52
" " India ..	54
Gold production, foreign countries ..	51
" " India ..	52, 53
Government balances and ways and means advances ..	70
Government debt position ..	68-71
" loans, Central and State, floatations of ..	68
" security markets, India ..	39, 40
Greece, discount rate ..	6
Grow More Food Programme ..	10

H

Hyderabad State (<i>Hyli Sica</i>) currency ..	84
--	----

I

Import policy, India ..	2, 10, 79, 80
" quotas, changes in ..	79
Imports, India, foodgrains ..	2, 10
" of rice from Burma ..	10
" of wheat from U.S. under P.L. 480 ..	2, 10
Income-tax, changes in ..	61, 62
Indo-American Technical Assistance Programme ..	10
Industrial Credit and Investment Corporation of India, working of ..	46, 47
Industrial Finance Corporation of India, working of ..	45
Industrial Finance Corporation, borrowings from R.B.I. ..	45
Industrial production, foreign countries, India ..	14-17
Industrial securities markets, India ..	41-43
Industries in the public sector ..	16, 17
Inflationary pressures abroad ..	4, 5
" " India ..	1, 2, 19, 20
Interest-bearing obligations, Government of India ..	68
Interest rates, short-term, India ..	31
Interest-yielding assets, Government of India ..	68, 69
International Monetary Fund, assistance from ..	2, 72
Ireland, discount rate ..	6
Iron and steel, revision of prices ..	22

J

Japan, discount rate ..	6
" industrial production ..	3
" money supply ..	3
" prices ..	4

J Contd.

Jute goods, production of	15
„ sealing and unsealing of looms by I.J.M.A. ..	15
Jute (raw), production in India ..	12

L

Loan flotations, Government of India ..	68
„ „ State Governments ..	70

M

Maturity distribution of debt, India ..	68
Mintage of new decimal coins ..	86
Monetary and banking trends in India. 26, 27	
„ policy, foreign countries ..	5
„ trends, foreign countries ..	3-8
Money market, India	29-31
„ rates, India	31
Money supply, foreign countries ..	3
„ „ India	1, 27-29
„ „ „ seasonal trends ..	27-29

N

National Agricultural Credit (Long-term Operations) Fund	36
National Agricultural Credit (Stabilisation) Fund	37
„ Income, India, estimates ..	17, 18
„ Industrial Development Corporation, working of ..	47
„ Savings Certificates	70
Netherlands, bank credit	3
„ discount rate	6
„ prices	4
New Zealand, selective credit controls ..	7
Note circulation	83
„ forgeries	86
Notes, old, lost, destroyed and mutilated	86

O

OECE countries, India's deficit with ..	73
Oilseeds, production of, in India ..	12
Open market operations, Reserve Bank ..	40
„ „ „ foreign countries ..	7

P

Peru, reserve requirements, changes in ..	7
Pig iron, production in India	14
Post Office Savings Bank Deposits ..	69
Price policy, India	23, 24
„ trends, foreign countries ..	4
„ „ gold	50, 54
„ „ silver	50, 53

P Contd.**Page**

Prices, India, food articles	20
„ „ gilt-edged securities ..	39, 40
„ „ industrial raw materials ..	21
„ „ industrial securities ..	41-43
„ „ manufactures	21
„ „ of controlled commodities ..	21, 22
„ „ semi-manufactures	21
Production, India, agricultural commodities ..	9
„ „ ties	14
„ „ cement	14, 15
„ „ chemicals	14
„ „ coal	11
„ „ cotton	15
„ „ cotton cloth	14
„ „ engineering industries ..	10
„ „ foodgrains	52, 53
„ „ gold	15
„ „ handloom cloth	14-17
„ „ industrial	15
„ „ jute manufactures	12
„ „ jute raw	15
„ „ matches	12
„ „ oilseeds	14
„ „ pig iron	14
„ „ steel	15
„ „ sugar	12
„ „ sugarcane	12
„ „ tea	13
„ „ tobacco	10
„ „ wheat	

R

Railway and Five Year Plan	67
Railway budget	66, 67
Railway funds	67
Refinance Corporation, setting up of ..	39, 48, 49
Reserve Bank of India (Amendment) Act 1956 ..	34, 35
„ „ „ borrowings by scheduled banks ..	30
„ „ „ change in Bank Rate	2, 32
„ „ „ directives to scheduled banks regarding advances ..	32-34
„ „ „ financial accommodation to co-operative institutions ..	36, 37
Reserve Bank's lending rate under Bill Market Scheme, changes in ..	31
Reserve requirements of banks, changes in India	35
Revenue account, Union Government ..	57-63
Rice production	10
„ „ extension of Japanese method of cultivation ..	11
Rupee coin, circulation of	83, 84
„ debt, composition of	69, 70

Page

T *Contd.*

S

Scheduled bank credit	1,29, 30
" " seasonal trends ..	30,31
" banks, borrowings from the Reserve Bank	30
Seasonal trends in money supply ..	27, 29
Second Five Year Plan outlays ..	3
" " " " revised targets for agricultural production ..	13
Securities Contracts (Regulation) Act 1956	49,50
Selective credit controls, foreign countries	7, 8
" " India	33
Share prices, India	41-43
Silver, imports of Tibetan coins ..	53
" prices, India	53, 54
" " world	51, 52
" production, India	53
" " world	51
Small coin, circulation of	84
Small savings, India	69, 70
Small-scale industries, financing of ..	47, 48
" " " financing of liberalised credit scheme by State Bank ..	48
Stamp duty on usance bills, changes in ..	32
" " bills of exchange, increase in	35
State Financial Corporation (Amendment) Act 1956	46
" " Corporations, working of ..	45, 46
State Governments, loan floatations ..	70
State Trading Corporation, establishment of	80
States, balances and ways and means advances	70
" budgetary position	64-66
" financial assistance from the Centre	63
Steel plants, setting up of	16
" prices, changes in	22
" production, India	14
Sterling area, gold & dollar reserves ..	5
" transactions, Reserve Bank ..	78
Sugar production, India	15, 16
Sugarcane production, India	12
Sweden, discount rate	6
Switzerland, discount rate	6

T

Tariff Commission, working of	81, 82
Taxation proposals, India, Union Government	60-63
Tax on expenditure	62
" on wealth	62
Tea, production in India	12
The Finance (No. 2) Act, 1956, increase in stamp duty on bills of exchange ..	35
Tobacco production, India	13

Page

Trade agreements	80, 81
" developments, India	73, 74, 79, 80
" policy, India	79, 80
Treasury bills (<i>ad hoc</i>), Union Government	57
Treasury Savings Deposit Certificates ..	70
Turkey, discount rate	6

U

United Kingdom bank credit	3
" " bank rate, changes in ..	6
" " credit controls	7
" " industrial production ..	3
" " inflationary pressures ..	4
" " measures to check inflation	6, 8
" " money supply	3
" " prices	4
United States, bank credit, changes in ..	3
" " discount rate	5, 6
" " industrial production ..	3
" " inflationary pressures ..	4
" " " measures to check	6, 8
" " money supply	3
" " prices	4
" " selective credit controls in ..	7
Usance bills, borrowing rate	32
" " stamp duty on	32

V

Variable reserve ratios, foreign countries ..	7
" " " India	34, 35

W

Ways and means position, Union Government	70
" " State Governments	70
Western Europe, gold and dollar reserves	4
Western Germany, discount rate	5, 6
" " gold & dollar reserves ..	4
" " industrial production ..	3
" " money supply	3
Wheat Zones	23
World economic trends	3-8
World payments position	4, 5

Y

Yield on debentures	43
" government securities	40
" industrial securities	43

Publications in Stock

PRICE

Annual Publications :

Rs.

1.	Statistical Tables relating to Banks in India and Burma	1939 and 1940	..	..	3.50
2.	do.	do.	1941	..	3.50
3.	do.	do.	1942 and 1943	..	7.00
4.	do.	do.	do. in India	1946	7.50
5.	do.	do.	in India and Pakistan	1947	7.50
6.	do.	do.	in India	1948	6.00
7.	do.	do.	do. (Abridged Edition)	1948	1.00
8.	do.	do.	do.	1949	6.00
9.	do.	do.	do. (Abridged Edition)	1949	1.00
10.	do.	do.	do.	1950	6.00
11.	do.	do.	do. (Abridged Edition)	1950	1.50
12.	do.	do.	do. (Abridged Edition)	1951	1.00
13.	do.	do.	do.	1953	6.00
14.	do.	do.	do.	1954	6.00
15.	Report on Currency and Finance	1941-42	..	..	1.00
16.	do.	1946-47	..	..	3.50
17.	do.	1953-54	..	..	4.00
18.	do.	1955-56	..	..	4.00
19.	Trend and Progress of Banking in India	1949	..	..	3.50
20.	do.	1950	..	..	3.50
21.	do.	1951	..	..	3.00
22.	do.	1952	..	..	3.00
23.	do.	1954	..	..	3.00
24.	do.	1955	..	..	3.00
25.	Statistical Statements relating to the Co-operative Movement in India	1940-41	..	..	1.75
26.	do.	do.	1949-50	..	2.00
27.	do.	do.	1950-51	..	3.00
28.	do.	do.	1951-52	..	3.00
29.	do.	do.	1952-53	..	3.00
30.	do.	do.	1955-56	..	3.00

Monthly and Weekly Publications :

Reserve Bank of India Bulletin (Monthly) Single Copy

Annual Subscription

Inland

Rs. 2.00

Rs. 18.00

Foreign

Rs. 3.00 or 75 cents or sh. 5

Rs. 30.00 or \$6.50 or £2-5-0

Publications in Stock—(Contd.)

Weekly Statistical Supplement to the Bulletin

PRICE

Inland	Rs. 5.00
Foreign	Rs. 7.50 or \$ 1.50 or 10sh.

Other Publications :

Rs.

1. Report on the Banking Union at Kodinar	0.25
2. Co-operative Village Banks	0.50
3. Summary of Foreign Exchange Regulations (2nd Edition) 1951	0.75
4. Co-operation in Saskatchewan, 1946-47	0.50
5. Post-war Balance of Payments of India	0.75
6. Co-operation in Assam	1.00
7. Glimpses of Co-operation in Bombay	2.00
8. Index Numbers of Security Prices (Volume I)	1.50
9. do. (Volume II)	1.00
10. Census of India's Foreign Liabilities and Assets, 1948	4.00
11. Fruit Marketing Co-operatives	0.50
12. Reserve Bank of India Remittance Facilities Scheme, Second Edition	1.00
13. India's Balance of Payments, 1948-51	1.25
14. Scheduled Bank's Regulations	0.12
15. Banking and Monetary Statistics of India	35.00
16. Report on the All-India Rural Credit Survey—Volume I Part I	9.00
17. do. do. do. Part 2	7.00
18. do. do. do. (Summary)	2.00
19. do. do. do. Volume II	3.00
20. do. do. do. (Summary)	0.50
21. do. do. do. (Abridged Edition)	2.00
22. do. do. do. Volume III	10.00
23. Survey of India's Foreign Liabilities and Assets, 1953	1.50
24. India's Balance of Payments, 1948-49-1955-56	1.50

Banking and Monetary Statistics of India (Section-wise reprint):

	Inland Rs.	Foreign (post free)
Section 1—All Banks	10.00	\$2.40 or 17sh.
Section 2—Commercial Banks		
Section 3—Small Savings		
Section 4—Co-operative Societies	5.00	\$1.20 or 8sh. 6d.
Section 5—Cheque Clearings	2.00	\$0.55 or 4sh.
Section 6—Reserve Bank of India	5.00	\$1.20 or 8sh. 6d.
Section 7—Currency and Coinage	2.00	\$0.55 or 4sh.
Section 8—Money Rates and Security Markets	5.00	\$1.20 or 8sh. 6d.
Section 9—Remittances	2.00	\$0.55 or 4sh.
Section 10—Public Finance and Public Debt	2.00	\$0.55 or 4sh.
Section 11—Insurance Companies	1.00	\$0.30 or 2sh. 6d.
Section 12—Gold and Silver	2.00	\$0.55 or 4sh.

* * * * *

Available from the Accountant, Department of Research and Statistics, Reserve Bank of India, Post Box No. 1036, Bombay, 1. Cheques to be drawn in favour of "Reserve Bank of India."

Prices quoted are exclusive of registration or V.P.P. charges.

Payments to be made in advance or requirements may be ordered by V.P.P.

मसुरी
MUSSOORIE.

This book is to be returned on the date last stamped.

[illegible]

332.11
Ind

वर्ग संख्या

Class No.

लेखक

Author India, R.B.I.

शीर्षक

Title Report on currency and
finance for the year 1956-57.

निर्गम दिनांक
Date of Issue

उधारकर्ता की संख्या
Borrower's No.

हस्ताक्षर

32.11

Ind

877

LIBRARY

LAL BAHADUR SHASTRI

National Academy of Administration

MUSSOORIE

Accession No.

1. Books are issued for 15 days only but may have to be recalled earlier if urgently required.
2. An over-due charge of 25 Paise per day per volume will be charged.
3. Books may be renewed on request, at the discretion of the Librarian.
4. Periodicals, Rare and Reference books may not be issued and may be consulted only in the Library.
5. Books lost, defaced or injured in any way shall have to be replaced or its double price shall be paid by the borrower.

Help to keep this book fresh, clean & moving